

FINANCIAL TIMES

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Saturday August 14 1982

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CREDIT WORTHINESS
Are you being observed?
 p.5

POWERBOATS p.11
Bid for the tidal ton

HONG KONG
A week of market jitters
BRITAIN'S CRUISE SHIPS
All dressed up and ready to go

COLLECTING
The arts of Boney's war

HOW TO SUCCEED
The changing fashion in marketing
 p.9

NEWS SUMMARY

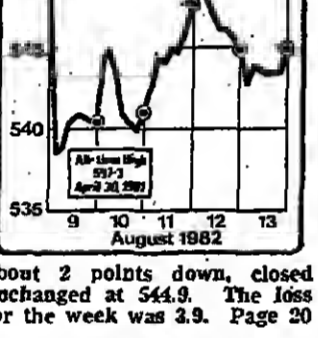
GENERAL BUSINESS

Health unions plan next action
 Selective strikes in key areas of the Health Service, over the next two weeks, are planned by health unions seeking a 12 per cent pay rise.
 The unions plan this to reinforce the five days of action they claim as a great success. The Health Department said pressure had increased during the week but that only 15 per cent of hospitals had been reduced to accident and emergency services by the dispute. **Back Page**

Base rate cut hopes lift gilts
 GILTS strengthened on hopes of a bank base rate cut next week. The Government Securities index rose 0.70 to 74.25, a 1.59 gain for the week. **Back Page and Lex; Page 20**

Ceasefire kept
 Israel maintained its ceasefire in Beirut but said it still expected the PLO to leave the Lebanese capital. **Back Page**

EQUITIES were subdued by the recent economic gloom but the FT 30-share index, opening



Battle claims
 South African forces claim to have killed 345 Swapo guerrillas in a thrust across the Namibia-Angola border. Guerrillas said they had killed 300 South African soldiers in recent fighting. **Page 2**

about 2 points down, closed unchanged at 544.3. The loss for the week was 3.9. **Page 20**

Gibraltar poll
 Almost one Spaniard in three would back military action to take Gibraltar from Britain, according to an opinion poll published in Madrid.

WALL STREET was 7.71 up at 794.63 at mid-session. **Page 16; Lex; Back Page**

Rebels kill 14
 A guerrilla attack on a train in north-west Mozambique left 14 dead and 58 wounded, the government said.

DOLLAR finished above its worst on late buying but was still down at 2262 (2263.23). **DM 2.5075** (DM 2.5175), **SFr 2.1425** (SFr 2.1575) and **FF 679** (FF 680.95). Its trade-weighted index was 122.4 (122.7). **Page 19**

Girl's body found
 The body of missing Northumbrian schoolgirl Susan Maxwell was found in Staffordshire. Police believe Susan, 11, was murdered and the motive was sexual.

STERLING rose to \$1.703, a gain of 40 points, but slipped to DM 4.27 (DM 4.28) and SFr 3.65 (SFr 3.67). It was unchanged at FF 11.9. Its index was 90.9 (unchanged). **Page 19**

Bank reopens
 Barclays Bank resumes Saturday opening today after a gap of 13 years. There will be 34 branches open today but by September 11 it hopes to have 400 open. **Page 3**

MCDONNELL DOUGLAS is willing to buy and market Spanish shoes in the U.S. to offset costs of an order for military aircraft. **Back Page**

Cash record
 Building societies had a record-breaking month in July. They took in £3.18bn and after withdrawals were left with £699m in new money. **Page 3**

LOAN AGREEMENTS for £185m for Brazilian companies and to back GEC Brazilian contracts were signed by London banks. **Page 3**

Status demand
 A New Zealand human rights and anti-apartheid group wants political prisoner status for protesters jailed for demonstrating against last year's South African rugby tour.

JAPAN'S steel output is likely to be below 100m tons this fiscal year for the first time since 1971, unofficial forecasts say. **Page 2; Pioneer Electronic sees loss; Page 17**

Protest ends
 Greenpeace halted its efforts to prevent the British ship, Genoa, dumping nuclear waste in the Atlantic, off Spain.

CHARTER Consolidated, mining and industrial group, won High Court permission to bid for 65 per cent of Cornish tin miner South Crofty. **Page 15**

Plunge deaths
 Three girls, two of them sisters, aged three, six and seven, died when the car in which they were travelling plunged 30 ft into a river near Ystradgynlais, Wales.

WILLIAM PRESS, mechanical engineering contractor, announced details of a £17.7m expansion in the U.S. and Australia. **Page 14**

Prayer meeting
 A religious service is to be held outside Belfast's first sex shop today, in a move to get it to close. The shop opened on Tuesday.

JACOBS, Zurich coffee company, and Interfood, Lausanne parent of Tobler and Suchard chocolate makers, are considering merging. **Page 17**

Test score
 Pakistan were 428-8 (Mohsin 200), at the close on the second day of the Second Test at Lords.

AMRO and ABN, Dutch banks, blame sharp increases in depreciation for lower first-half net earnings. **Page 17**

CHIEF PRICE CHANGES YESTERDAY
 (Prices in pence unless otherwise indicated)

RISES		FALLS	
Treasury 12½	Gold £341 + 1½	Automotive Prod.	26 - 3
1886 Gov. £102 + 1	£141 + 1½	Blue Circle	423 - 8
Treasury 1½		Dollars	37 - 5
2003-07 £96 + 1		General Accident	23 - 4
Aeronautical & General 235 + 25		G.R.E.	280 - 6
British Aerospace	227 + 7	Kennedy Smale	162 - 13
Glaxo	745 + 15	Lloyds Bank	388 - 10
Plassey	512 + 5	ML Holdings	380 - 5
Sound Diffusion	134 + 7	Midland Bank	312 - 6
Wolverhampton		Ransomes Sims	174 - 7
Stream Laundry	61 + 6	Standard Chartered	373 - 29
LASMO	325 + 15	Sun Alliance	760 - 15
Anglo American			

Geraghty fined £350 and costs for contempt

BY PHILIP BASSETT, LABOUR CORRESPONDENT

TRADE UNIONS' ability to take sympathetic industrial action was dealt a severe blow yesterday when Mr Sean Geraghty, secretary of the Fleet Street Press branch of the Electrical and Plumbing Trades Union, was found guilty of contempt of court following the strike which halted publication of Wednesday morning's Fleet Street newspapers.

The strike, in support of the health workers' pay campaign, had gone ahead despite a court order seeking to prevent it.

In the High Court yesterday, Mr Justice Leonard fined Mr Geraghty £350. However, the contempt was not judged to be serious.

Mr Geraghty was ordered to meet the costs of the case, which could be about £10,000. Mr Geraghty said he thought the trade union movement had won a victory.

"We are reinforced in our belief in the value of solidarity and sympathy action. The principles of trade union and working class unity have been demonstrated."

Saying he had been "rapped over the knuckles," Mr Geraghty said the question of whether and how to pay the fine and the costs would be left to the branch. The issue would be discussed at the next normal branch meeting, due on Tuesday.

Fleet Street newspaper publishers earlier this week obtained a court injunction from Mr Justice Leonard against eight "named" union officials following warnings of strike action in support of the National Health Service dispute.

The court was told yesterday that all the other officials had complied with the injunction, but that the electricians had gone ahead with their strike, causing the loss of production in London of all Wednesday's national newspapers at an estimated cost of £3m to £4m.

The Newspaper Publishers Association, representing the Fleet Street publishers, applied for the imprisonment of Mr Geraghty.

Council for Mr Geraghty argued that the court order had not been properly served, and that the NPA had failed to make out its case against Mr Geraghty.

The judge said he considered that, despite complaints about the way in which Mr Geraghty had been informed of the court order, the terms of the injunction were clear.

Mr Geraghty has two months to meet his fine, or face a week in prison. Trade union leaders last night began pledging financial support for Mr Geraghty if he needed it.

Mr Albert Spenswick, chairman of the TUC health services committee and general secretary of the Confederation of Health Service Employees, said: "We are very pleased to hear that Mr Geraghty has not been taken to prison—and we hope the business is now all over. The ability of unions to take solid action is at the centre of the case. The injunction was sought on the basis that the projected strike action was in breach of the Government's first piece of labour legislation, the Employment Act, 1980, which precludes sympathy action that does not fit rigorous specific tests."

Though this part of the Act has been used only rarely, the injunction this week, the compliance with it by most unions involved, and Mr Geraghty's fine all cast doubt on the unions' ability to challenge effectively the Act and the Employment Bill being guided through parliament by Mr Norman Tebbit, Employment Secretary.

Mr Rodney Bickerstaffe, general secretary of the National Union of Public Employees, contrasted all the trouble over the affair with the size of the fine. He said: "It's a nonsense."

Mr Frank Allau, left-wing chairman of Labour's Press and publicity committee, said: "Solidarity has now become a crime. But far from being punished, Mr Geraghty should be congratulated."

He said Lord Marsh, NPA chairman, had behaved in a "contemptible fashion."

Lord Marsh said the court's decision was "very fair." He said: "The court has not attempted to martyr anybody. We never sought this confrontation. I think it is a great pity that we had to get to it."

Court hearing details, **Page 3**
 Health unions determined, **Back Page**

Gdansk police scatter Solidarity marchers

BY OUR FOREIGN STAFF

RIOT POLICE broke up a crowd of 10,000 demonstrators in Gdansk yesterday.

Firing water cannon, fuses and tear gas they scattered supporters of the Solidarity trade union as they marched towards the city's Communist Party headquarters.

More protests are expected during the weekend to mark the anniversary of strikes at the Lenin shipyard two years ago. The strikes led to the foundation of the now-independent union and to military rule in December.

Witnesses said the disturbances started after a rally by a few hundred people near a memorial to those killed in Gdansk during rioting in 1970.

After a brief confrontation with police, the crowd marched through the city, growing as it went. It was charged by police as it approached party headquarters—burnt in 1970—chanting "long live Solidarity," and "free Lech Walesa."

Mr Walesa, the union's official leader, has been interned since December.

As the demonstrators broke ranks a few small groups hurled stones and threw stones and rubbish at police. By early evening, however, the city was reported quiet with police and armoured vehicles on patrol.

While violence flared in Gdansk underground Solidarity leaders in Warsaw distributed leaflets calling for a graffiti, poster and pamphlet protest campaign against martial law, to culminate in mass peaceful demonstrations on August 31.

The date marks the second anniversary of the Gdansk agreement which opened the way for independent trade unions in Poland.

Yesterday morning, police with automatic weapons formed a circle around Warsaw's busiest traffic junction where 5,000 people staged a protest in May. Later truckloads of forces were seen around Victory Square in capital's centre where several hundred people had gathered round a floral cross laid on the flagstones. No clashes were reported.

The authorities have warned that protests against military rule will be met with toughness and determination.

Bullion scandal dispute resolved

By Rosemary Burr

THE FINAL act in a 34-year-old dispute between East and West, involving a pre-war banking scandal and one of the biggest bullion seizures of the century, will unfold in London next month. People with claims for compensation against a Soviet-bloc government will then have a chance to press them.

The dispute stems from claims by the British Government and individuals against Czechoslovakia. They date back to the period from March 1938 to April 1945, when the Nazis occupied and then the 1948 Communist takeover in Czechoslovakia.

The claims arose either from post-war Czechoslovakian nationalisation, expropriation or dispossession; or from an attempt to restore money and property which had been subjected to special measures in Czechoslovakia during the German occupation.

Back in 1949, Britain and Czechoslovakia reached an agreement on inter-governmental claims. Prague promised to pay London £19.7m, but the money was never forthcoming.

Five years later, Czechoslovakia told Britain that there could be no settlement on the question of claims private and public without the return of Czechoslovakian gold held in London since the end of the second world war.

The gold bars and coins were at the centre of a political row in 1959, which almost led to the winding-up after the war of the Bank for International Settlements (BIS), the central bankers' bank at Basle, in March 1959. Germany forced Czechoslovakian officials to instruct the BIS to move Prague's gold, held in the Bank of England's vaults, to the account of the German Reichsbank.

News of the transfer caused a furor, in March 1959, and the Press accused the Bank and the BIS of collaborating with Germany. In fact, the gold remained untouched in the bowels of Threadneedle Street and was frozen there.

Continued on **Back Page**

Inflation slows again to 8.7%

BY MAX WILKINSON, ECONOMICS CORRESPONDENT

INFLATION SLOWED again last month, falling by half a percentage point to 8.7 per cent on an annual basis. This, the lowest figure for three and a half years, came at the end of a month during which prices were on average unchanged.

Official figures out yesterday show that the standstill in average prices resulted partly from a sharp fall in the price of seasonal foods.

Other prices were rising at only a moderate rate, and there was renewed confidence in Whitehall that the inflation rate will continue to fall during the autumn.

July was the second month this year in which prices stood still, the other being February. A zero rise in the prices index had not previously been achieved since August, 1970.

The annual inflation rate has been falling for six successive months from the plateau of 12 per cent reached this winter. Ministers are now predicting a reduction to 7.5 per cent by the end of the year.

The Government would then hope to have shifted people's expectations about inflation into a new and lower gear.

Apart from a nine-month period in 1978, the inflation rate has not fallen below 9 per cent since early in 1973.

Yesterday Mr Leon Brittan, Chief Secretary to the Treasury, emphasised the Government's central theme—that low output and high unemployment are the penalty which Britain is paying for allowing inflation to rise in the past.

"Today's good news on inflation offers real long-term hope for those without a job," he said.

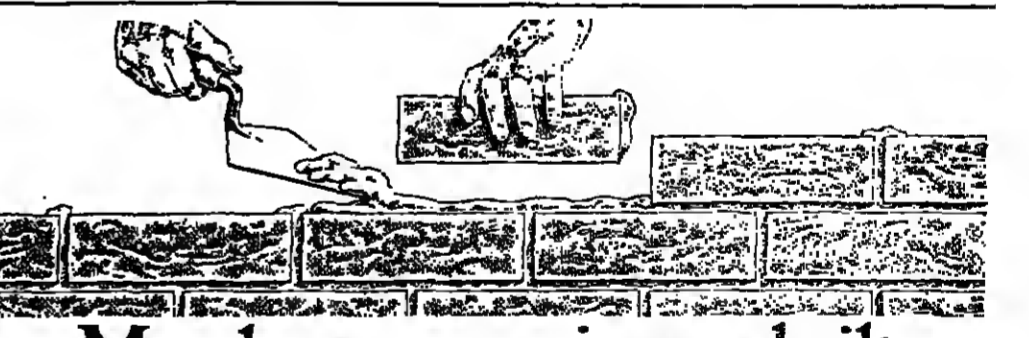
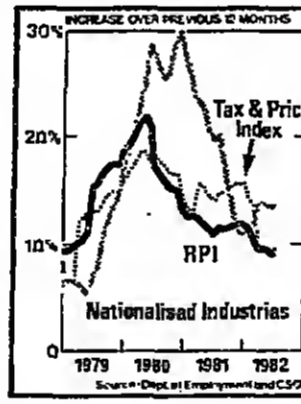
If seasonal food is excluded from the latest figures, prices have been rising at a rate of less than 0.5 per cent a month for the last three months. The all-items index of retail prices stood at 323 (1974 = 100) for July and the tax and price index (TPI) at 169.0 (January 1978 = 100).

The TPI, which measures the pre-tax earnings needed to keep pace with prices, increased by 8.6 per cent in the 12 months to July compared with 9.4 per cent in 12 months to June.

The rise reflects the fact that some unemployment benefits have now come into the tax net.

The continued faster inflation rate of the TPI is a mild embarrassment for the Government since it hoped that a general tax-cutting strategy would hold it down below the rate of increase of the more conventional retail price index.

In the next few months some increase in petrol, pump prices is expected and gas prices are



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Further information.

You can obtain information on other Gartmore Unit Trusts from the prospectus for the group, or call the team at Gartmore, page 200.

Applications will be accepted for units in the Trust until 31st August, 1982. The minimum investment is £200. The Trust's estimated current gross yield is 3.50% p.a. For your guidance the offer price of units on 13th August, 1982 was 31.0p.

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I/We endorse a remuneration payable to Gartmore Fund Managers Ltd.

Tick box:
 For automatic re-investment of net income.
 For details of the complete Gartmore Unit Trust Range.
 For details of Gartmore insurance linked plans.

Signature (Mr/Ms/Ms)
 Name (in full)
 Address
 Address
 Postcode

Signature (s) FT:GSC
 (Qualify application with passport photo and address separately)

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 £2,200,000,000 under Group Management

Mexico halts foreign exchange deals

BY ALAN FRIEDMAN

MEXICO'S FINANCIAL crisis deepened yesterday as the Mexican Government announced exchange control measures and halted all foreign exchange and precious metal transactions until further notice.

The measures, which came only one week after the introduction of a new two-tier exchange system, were seen by bankers as a last-ditch attempt to avoid an approach for help to the International Monetary Fund.

The emergency measures include a ban on the transfer of any foreign currency outside of Mexico and a freeze on all foreign currency bank accounts in the country. Mexican citizens and companies with U.S. dollar accounts in Mexico are not permitted to withdraw their dollars and must accept instead Mexican pesos at the rate of 69.5 pesos to the dollar. That compares with a rate of 49.5 pesos to the dollar ten days ago.

Yesterday's moves took the international banking community by surprise, partly because of last week's introduction of a split preferential floating peso-dollar rate and partly because the Mexican Central Bank has argued vehemently against exchange controls for several months.

The two-tier exchange system, which caused a 35 per cent devaluation in the peso-dollar rate to a rate of more than 70 pesos to the dollar, appears to have failed to stem the massive flow of dollars out of the country.

Last weekend Sr Lopez Portillo, the outgoing president, said that if Mexico had not acted to stem the outflow of dollars it would have been heading for a default on its \$80bn (£28bn) public and private sector foreign debt.

Private sector companies in Mexico this week asked bankers to discuss debt rescheduling on part of the private debt of \$18bn to \$20bn.

A delegation of Mexican Finance Ministry officials was yesterday said to be in Washington, possibly discussing an increase in the country's currency swap line with the U.S. Federal Reserve.

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OVERSEAS NEWS

Japanese steel output could fall below 100m tons

BY CHARLES SMITH, FAR EAST EDITOR IN TOKYO

THE U.S. ... a heavy ... call for ... necessary ...

After ... senators ... effect ... to be ... with ...

But ... still ... the Gulf ... used ... by ...

U.S. ... the mid-1 ... Before ... Senator ...

Carolina ... The ... party ... panel ...

and U.S. ... environment ... what ...

The ... extensive ... (in ... UK) ...

to ... The ... its ... drum ...

link ... to ... the ... UK ...

in ... the ... UK ... in ...

to ... in ... to ... in ...

to ... in ... to ... in ...

to ... in ... to ... in ...

to ... in ... to ... in ...

to ... in ... to ... in ...

to ... in ... to ... in ...

JAPAN'S steel production is likely to fall below 100m tons during the current fiscal year...

The fall will reflect declining exports as well as slack domestic demand. The lower production level, combined with the fact that a 5.4 per cent increase in domestic steel prices this year has been too small to cover cost increases...

Steel is the only one of Japan's major basic materials industries which has managed to avoid disastrous losses in recent years as demand has fallen and raw materials costs have risen...

Toshiba plans 'superchip'

BY OUR TOKYO CORRESPONDENT

TOSHIBA is about to start intensive work on the development of a one megabit (1,000,000) random access memory chip...

S. African troops 'advance 120 miles into Angola'

BY MICHAEL HOLMAN

THE OFFICIAL Angolan news agency Angop yesterday claimed South African troops had taken up positions north of Cuvanel, 120 miles inside the country...

Air Canada to cut staff

BY VICTOR MACKIE IN OTTAWA

AIR CANADA, the Government-owned airline, is to lay off about 2,000 employees and reduce services in an effort to curb record operating losses of C\$9.5m (£17m) in the first six months of this year...

Wall Street on a knife edge?

Many analysts take the view that a further plunge in the US stock market will be inevitable...

INTERCOMMODITIES LIMITED. The Markets Department, Inter Commodities Limited, 3 Lords Avenue, London EC3N 3RN. Tel: 01-481-9827.

Pravda hits out at falling production

By Our Foreign Staff

THE SOVIET authorities yesterday publicly attacked the continuing decline in farm and industrial production, and warned that the harvest was once again going badly...

Senate gym has critics in a lather

By Reginald Dale, U.S. Editor, in Washington

AN OUTRAGED Washington Post calls the "gymnastics" it has showed opponents of unnecessary extravagance at a time of painful cuts in public spending...

Norwegians forego rise to keep jobs

By Fay Gjester in Oslo

HUNDREDS of workers at a loss-making, state-owned aluminium plant in Norway have offered to forego a promised wage increase to help save their jobs...

Air Canada to cut staff

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AIR CANADA, the Government-owned airline, is to lay off about 2,000 employees and reduce services in an effort to curb record operating losses of C\$9.5m (£17m) in the first six months of this year...

Patrick Cockburn looks at the power struggle in prospect after the PLO evacuates Beirut

Divided Lebanon defies the neat solution

"IF ALL the terrorists leave the Lebanon, then we will have solved nothing," said the head of Israel's military intelligence this week...

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The evacuation of Beirut by the Palestine Liberation Organization, if and when this occurs, will not affect the presence of Syrian troops occupying the eastern third of Lebanon...

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Prime Minister, to use the military option. This may turn out to be one of the most important consequences of Gen Ariel Sharon, the Defence Minister, overplaying his hand by appearing to sabotage the Habib peace mission...

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The election as president of Mr Bashir Gemayel, the Christian militia leader who has ruled his own mini-state in East Beirut and its hinterland since the end of the civil war in 1976, would immediately alienate the Moslem majority in Lebanon...

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attempts to turn their military gains in Lebanon to long-term political advantage. To be the dominant power in Lebanon they need to maintain the threat of the use of force...

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Low point in U.S. recession may have been reached in July

BY ANATOLE KALETSKY IN WASHINGTON

INDUSTRIAL production figures published yesterday by the Federal Reserve Board suggest the U.S. recession may have touched bottom in July...

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Mideast loan for NZ

New Zealand has arranged to borrow the equivalent of NZ\$100m (£45.5m) from a Middle East source...

Nato navy chief

Vice Admiral Wesley McDonald has been appointed commander of U.S. and allied naval forces in the Atlantic...

Turkish inquiry

Turkey's military regime yesterday ordered an investigation into claims that Mr Kaya Erdem, the former Finance Minister, "ignored" wrongdoings in a state-owned sugar company...

Border guards shot

Soviet frontier guards have shot and killed two Turkish soldiers along the mountainous border between the two countries...

India offers treaty

India has formally offered Pakistan a treaty of peace, friendship and co-operation after two days of bilateral talks in Islamabad...

Sri Lanka oil deal

Sri Lanka and India will sign an agreement next week for the joint exploration of petroleum resources in the Palk Straits...

Magazine threatened

The 58-year-old U.S. monthly magazine Saturday Review is in financial trouble and a deadline of midday on Monday has been set for deciding its future...

Falklands move planned at UN

CARACAS—Argentina, with the support of other Latin American countries, is planning to take the issue of sovereignty over the Falkland Islands to the UN...

Italy urges Latin America cause

BY RUPERT CORNWELL IN ROME

THE ITALIAN Government intends formally to bring the issue of improving relations between the EEC and Latin America, especially Argentina, before the next meeting of Community foreign ministers...

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HUNDREDS of workers at a loss-making, state-owned aluminium plant in Norway have offered to forego a promised wage increase to help save their jobs...

Senate gym has critics in a lather

By Reginald Dale, U.S. Editor, in Washington

AN OUTRAGED Washington Post calls the "gymnastics" it has showed opponents of unnecessary extravagance at a time of painful cuts in public spending...

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Cottage gem industry boosts Thailand's trade figures

BY JONATHAN SHARP IN BANGKOK

IF A girl regards diamonds as here best friend, then Thailand entertains similar affections for sapphires and rubies. These stones dominate a gem industry that has recorded quite phenomenal growth in the past two decades...

The Thais are at the forefront of the dubious sounding but quite accepted technique of 'cooking', a process whereby the colour of gems is enhanced by heating in ovens commonly made out of 20-gallon oil drums...

highly chancy business for the uninitiated. Mr John Melrose, a U.S. lapidary who is one of a handful of expatriates who have managed to get themselves into the tightly-knit industry here, explained that there is no substitute for hard-won expertise...

This is a problem that Thailand has not yet seriously addressed. While there are many highly reputable dealers here, the underhand operations of a few have tainted the local market and no proper regulatory authority exists in deal with them...

Dealing in gems is also a highly chancy business for the uninitiated. Mr John Melrose, a U.S. lapidary who is one of a handful of expatriates who have managed to get themselves into the tightly-knit industry here, explained that there is no substitute for hard-won expertise...

INTERCOMMODITIES LIMITED. The Markets Department, Inter Commodities Limited, 3 Lords Avenue, London EC3N 3RN. Tel: 01-481-9827.

UK NEWS

Building society records broken

By Michael Cassell

BUILDING SOCIETIES had a record-breaking month in July. Net receipts from investors reached a monthly peak and the societies advanced an unprecedented amount to home-buyers.

Building Societies Association figures published yesterday confirmed that several factors in the societies' favour during July led to an unprecedented savings inflow.

The societies took in £3.15bn from investors and, after withdrawals, held £699m of new money. The increase of £270m compared with the previous month, was as much as the societies received during all of March.

At the same time, borrowers paid £715m of their mortgage debts and that became available for loans to new customers. During July, the societies advanced £1.45bn and promised £1.36bn.

Commenting on the results, Mr Richard Weir, secretary general of the association, said: "By exceeding previous records for both inflows of new savings and advances for house purchases, societies have shown once again how popular they are with investors and borrowers alike."

Interest rate reductions by competitors during July gave the societies their biggest bonus, which was enhanced by a rush to invest in some building society term shares, which were offering 2 percentage points above the ordinary share rate but were due to be withdrawn.

Also, the societies encountered little competition from National Savings, their arch-rival for personal sector savings. They also paid out half-yearly interest to investors, much of which was directly re-invested in savings accounts.

The position is likely to change, however, as the societies do not expect receipts in August to be much greater than £400m, despite the fact that their own interest rates are not to fall until September.

The introduction this month of a National Savings Income bond, and the doubling of the limit on holdings of indexed certificates, will provide fresh competition for the building societies.

The recent high level of net receipts has pushed the societies' liquidity to historically high levels. By the end of June, their liquid funds accounted for almost 20 per cent of total assets. As a result, they are well placed to meet any increase in mortgage demand stimulated by mortgage rate cuts.

Jobs plan off to good start

By Maurice Samuelson

A SCHEME to create 6,000 jobs in the Manchester area over the next three years has made a flying start in its first two months, says Greater Manchester Council.

Under the £9.5m programme, funded jointly by the council and the EEC, companies are helped to finance the wages of staff recruited from the dole queue.

The council said this week that since the scheme started two months ago, it has approved applications resulting in 590 jobs.

It has turned down 28 applications and another 150 are to be processed.

Barclays colours Saturday banking red

The tills open today in big bank bid to attract deposits. William Hale reports.

"AT LAST" we're at work when you're not. With this slogan Barclays Bank today becomes the first big bank to open its branches on Saturday morning for 13 years.

At 9.30 Mr John Quinton, Barclays senior general manager, will be behind the till at the bank's Ruislip branch to serve the first customer.

The high street banks made a bad mistake in 1969 when they decided to close on Saturday morning, says Mr Quinton. They just got out to the building societies, whose deposits jumped from £8.6bn to £56.4bn—a third more than the banks.

Barclays reckons that 30 per cent of the building societies' funds are paid in on Saturday morning and Mr Quinton and his team want to recapture those lost deposits.

"Nearly 4.5m working people do not have any form of cheque account," says Mr Quinton. Many would open a bank account if they could get to a bank on Saturday. Barclays hopes that by opening 34

branches today and 400 by September 11 it can attract custom.

Other bankers are sceptical about the move. They say cash dispensers give customers a 24-hour service, and if bank managers are not working on Saturday mornings customers will be unable to discuss sizeable transactions such as finalising a house mortgage.

Mr Quinton, who represents the more aggressive breed of manager surfacing in Britain's traditionally sleepy clearing banks, dismisses such suggestions. "Deposits are our life blood and we need a further infusion."

The banks have traditionally relied on customers leaving cash idle in current accounts to fund their lending. But these funds are over. Barclays says that current accounts, which accounted for 40 per cent of

domestic funds in 1978, now provide only 25 per cent and the proportion is falling steadily.

Barclays hopes that if customers are able to cash cheques on Saturday they will keep more money with the bank during the week.

Other bankers are not convinced. They point to Barclays' aggressive move into the mortgage market two years ago. Aside from finding a safe outlet for the bank's funds, the initiative was aimed at winning new deposits.

While Barclays and the other banks won business, they all admit that the other side of the equation—winning deposits—has been a flop. Several senior bankers believe that Barclays' latest exercise in opening on Saturday will fare as badly.

However, Mr Quinton is enthusiastic. Barclays on Saturday will be quite different from Barclays on Monday to Friday," he says.

"Instead of normal Barclays blue, everything will be red. We shall try to make the branches look different because it is a different service," he says.

The banks will offer a basic service only. Customers will be able to draw up to £200, deposit money and rearrange standing orders. The strongrooms will remain closed.

The bank says that over 12,000 staff have volunteered to work Saturdays for an average £30 for three-and-a-half hours. As the bank only needs 3,000 volunteers on any one day, it sees no problem in maintaining the supply of volunteers.

The trade unions are not so optimistic. The Banking, Insurance and Finance Union has threatened to "black" Saturday transactions as they are processed on Monday.

Mr Quinton, however, is confident. He says he has enough volunteers and the unions will not be too much of a problem.

Employer's warning on bank opening

By Brian Groom, Labour Staff

BARCLAYS BANK staff could be suspended without pay if they take industrial action over the reintroduction of Saturday openings, the bank warned yesterday.

The Banking, Insurance and Finance Union is asking its 15,000 members among the bank's 70,000 UK staff to black Saturday-related work on weekdays.

The first 34 branches open this morning. The industrial action began yesterday, but Bifu officials expect only a small effect initially.

They believe the action will begin to bite in the months after the full 400-plus branches open in September.

Bifu feels the bank is unlikely to provoke trouble by disciplining its members. However, Barclays officials believe Bifu members' response on Monday and Tuesday will be intransigent.

In a staff newsletter the bank said: "Staff should be aware that a refusal to undertake duties will be regarded as a breach of contract and could result in suspension from duty without pay."

"In the circumstances, we feel it only right that staff should know what the consequences may be if they support the Bifu industrial action," the bank said.

It is believed that staff who black work will be interviewed by management and then given time to think before being called in again.

If they still refuse to handle the work, they will be sent home—at the risk of a reaction from fellow branch members.

Bifu, the minority union, is likely to be able to thwart Barclays on its own. Members of the larger Barclays Group Staff Union rejected industrial action by four-to-one in a ballot.

However, Bifu hopes the cumulative effect of its action will force the bank to negotiate on the union's claim for a shift, 28-hour week, and a four per cent premium of at least 15 per cent.

At present, Barclays is using volunteers to staff its branches on Saturdays. They will receive extra payments of between £24 and £40.

Bifu believes the Barclays move is regressive and represents an extension of working hours against the trend.

Geraghty should have done more to prevent strike, says judge

By Philip Bassett, Labour Correspondent

THE HIGH COURT yesterday found Mr Sean Geraghty, secretary of the Fleet Street Press branch of the Electrical and Plumbing Trades Union, guilty of contempt of court.

Mr Geraghty was fined £350 for breach of a court injunction, granted to 12 newspaper publishers and one distribution combine against eight named print union officials, which sought to prevent a strike in sympathy with health workers.

Mr Justice Leonard, who granted the injunction to the Newspaper Publishers Association, said in the contempt hearing Mr Geraghty should have done his best to prevent the action of his members which stopped production of all national newspapers for Wednesday.

Mr Geraghty could have done something "to reverse the situation that had built up." While he was guilty of contempt, it was not a serious contempt of the court, and the breach of the injunction not a case for committal.

He rejected submissions that the proceedings were "misconceived." He said he considered that, despite complaints about the way in which Mr Geraghty had been informed of the court order, the terms of the injunction were clear.

The NPA, which is still considering whether to press for a full trial, claims it lost £2m 45m worth of papers as a result of the electricians' action.

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£185m credits for Brazil signed

By Andrew Whitley in Rio de Janeiro

AGREEMENTS to lend £185m to Brazilian companies have been signed in London. Lloyds Bank International (LBI) leads the package of credits, which represents the biggest success for the Memorandum of Understanding of last October between the UK and Brazilian governments.

Most of the credits agreed are to support contracts won by GEC to supply equipment for an urban railway system in Recife, on Brazil's north-east coast.

GEC is to provide trains, electrification and other equipment for a 12.86-mile stretch of railway, including 17 stations, to ease access to one of the most important cities in the north-east of Brazil, which is developing rapidly but remains poorer than the more industrial south.

A loan, worth \$41.6m and backed by the Export Credit Guarantee Department, is being made to Empresa Brasileira dos Transportes Urbanos, the federal body responsible for the Recife project. A further Euro-market loan of \$102m (£60m), raised on the strength of the project, will be provided by a syndicate led by LBI.

An important Brazilian motive for the October agreement with the British Government was to meet debts falling due by raising as much additional foreign finance as possible. The new agreements also include a \$60m Euro-market loan to a big Brazilian contractor, Constructora Norberto Odebrecht, which will handle the civil works.

About 30 London-based banks were represented yesterday at the ceremony, attended by Sir Cloraldino Soares Severo, the Brazilian Transport Minister.

On Thursday, Sr Soares was present at the signing in London of buyer credit agreements worth £37.5m for Sunnam, the Brazilian state shipping authority. Further Euro-market facilities worth \$21m are being provided by LBI.

The finance for Sunnam will help the Brazilian agency out of its increasingly difficult plight over foreign debt. However, it is nominally to allow two private Brazilian shipping companies, Komar and Hipermodal, to purchase two ro-ro vessels from British Shipbuilders.

Foot and Healey unopposed

By Peter Riddell, Political Editor

THE LABOUR Party leadership nominated the first burble in its long autumn contest as Mr Michael Foot and Mr Denis Healey were unopposed when nominations closed last night.

The party will thus avoid a repeat of last year's bitter election battle for the deputy leadership between Mr Healey and Mr Tony Benn.

But the party conference at Blackpool at the end of September promises to be lively, with the left-wing attempting to regain places on the national executive lost last year and to resist the leadership's proposals for a register of approved non-affiliated organisations.

The prevailing view after a lengthy debate within the various left-wing organisations about whether Mr Benn should challenge leadership positions this year was that the time would not be right.

The date of the by-election in Gower, South Wales, was yesterday confirmed as Thursday, September 15. It has been caused by the death two months ago of Mr Ifor Davies, who held the seat for Labour since 1959.

Mr Garath Wardell will defend a 1978 Labour majority of 10,619 against Mr Gwynor Jones for the SDP and Tory Mr Trevor Llewellyn, who pushed up his party's share of the vote sharply at the last election. The Plaid Cymru candidate will be Mr Iwan Owen.

Xpelair wins Saudi order

Financial Times Reporter

XPELAIR has won its biggest export order. It is to supply nearly 23,000 extractor fans for Saudi Arabia's National Guard housing project.

The contract was awarded by Dumeir, a French contractor. The order, worth £270,000, is to supply specially adapted extractor and duct fans for kitchens, bathrooms and lavatories in more than 4,500 houses.

Xpelair, a General Electric Company subsidiary, won the order against companies including Ventaxia, Miac and Helios of West Germany, Voice of Italy and Helix of France.

Investors to form Signal Life action committee

By Eric Short

INSURANCE intermediaries who invested in the Gibraltar-based company Signal Life are holding a meeting in Manchester on Wednesday to establish a committee to co-ordinate action on behalf of clients.

The meeting is being called by two registered insurance brokers, Mr Andrew Lothian of Lothian Insurance Brokers, Dundee, and Mr Bob Barclays of Barclays Brokers in Boston, Lincolnshire. Both were major investors in Signal Life.

Signal Life is being questioned by the Gibraltar authorities and is the subject of legal action by the Hongkong and Shanghai Bank Trustee (Jersey), which was trustee to gold bonds marketed by the company.

They were marketed in the UK by Hanover Financial Services, the latest issue of British Airways News.

Mr Watis says that the plans already announced to reduce staff by 7,000 to 35,000 by next spring will help to make the airline more competitive and have a "profound effect on our future financial viability."

He adds: "Reducing costs and improving revenue yield across the board will have a big impact not simply on the viability of the whole airline but also on the profitability or otherwise of individual routes."

Mr Watis says the airline is doing well with plans to improve its product. "We shall start work this coming winter on a major facelift for the Super One-Eleven jets which will give us a completely new look inside."

Ford hopes for peak sales

By Kenneth Gooding, Motor Industry Correspondent

FORD EXPECTS to sell more cars in Britain this month than in any other in its history. The company's previous best monthly performance was last August with 72,900 registrations.

The introduction of the new registration suffix letter in August—this year Y—always gives business a boost. The trade reckons it will deliver at least 10 per cent of the year's total new cars this month.

Ford predicted that about 255,000 new cars of all makes would be bought this month. With the results of the first 10 days available, Mr Ernie Thompson, marketing director, believes the total could be 275,000.

That would represent more than 18 per cent of the 1.5m full-year registrations the industry expects.

According to figures circulating in the industry—not supplied by Ford—registrations in the first ten days of August totalled about 65,000. But there was said to be suffering some distortion because of delays by dealers—because they are so busy—in registering new vehicles.

As expected, the import content was high because August is a month where private buyers are against the company fleet operators—used to predominate.

After 10 days more than 60 per cent of the new cars registered were imports, showing that private buyers are less prone to buy British than are companies.

The leading traditional importers Datsun UK and VAG, the Volkswagen-Audi concern, both had higher-than-usual penetration at 6.5 per cent each in the early August period while Volvo was up at 4 per cent.

But half of Ford's 59 per cent market share so far in August was accounted for by "captive" imports from Continental plants. Vauxhall had a market share of over 10 per cent with the help of imported cars.

Its share BL, with an early August share of just over 16 per cent, nor Talbot UK, with about 3 per cent, will be satisfied with their showing. But BL's penetration usually improves as the month progresses.

More UK news on Page 15

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Medical journal attacks marketing of Opren drug

By David Fishlock, Science Editor

THE BRITISH Medical Journal is critical of "explosive" marketing tactics by Dist Products, a Lilly Industries subsidiary, in launching its anti-inflammatory drug, Opren, in Britain in 1980.

Opren's product licence was suspended for three months by the Committee on Safety of Medicines on August 3, after reports of 61 elderly patients since April. The company is thus prevented from promotion and supply of the drug.

In a leading article today, the journal says that, on medical grounds, "explosive" marketing "makes no kind of sense." Dist's promotion campaign was highly successful, it says, and Opren had been prescribed for

Little comfort for cold cure

By David Fishlock

THE DRUG interferon will never be the "magic bullet" for curing colds, according to The Lancet medical journal published today.

The chance of the drug ever falling into the aspirin price-range is remote even if made by genetic engineering.

Those who are able to afford it will need to know when they are exposed to infection to use it effectively. Supply problems could lead to a black market, it predicts.

The journal's main worry, however, is that a preoccupation with curing colds may distract away from its use in illnesses such as influenza, hepatitis, Lassa fever, Ebola virus, and tumours, which may well respond well to the drug.

Raleigh lays off 400 at Nottingham headquarters

By Lorne Barling

TI RALEIGH, the bicycle manufacturers, has announced 400 redundancies at its Nottingham headquarters.

The company, part of the TI Group, made a trading loss of £3.2m in the first six months of this year. Losses in the same period of 1981 were about double that.

Mr Roy Jarvis, managing director of TI Raleigh, said the redundancies were part of the company's strategy to reduce costs and increase market share.

Domestic orders had improved lately, he said, and Raleigh had raised its UK market share from about 35 per cent last year to 45 per cent, mainly through more aggressive marketing and

GLC grant saves London studio

Financial Times Reporter

RIVERSIDE STUDIOS, the west London arts centre threatened with closure, has been saved by a £50,000 grant from the Greater London Council.

The rescue plan, which secures the studios' future until mid-November, has however several conditions, one of which requires the Riverside to raise £20,000 to make up the £55,000 needed.

A development plan, involving offices and a media centre on land owned by the Riverside, should make the studios self-supporting. However, opposition to the plan by a Liberal councillor who holds the political balance on the bing Hammersmith and Fulham borough council, has threatened the studios with collapse.

Ms Erica Bolton, for the Riverside Studios, said an appeal had been immediately launched to raise the £20,000. Trustees were confident that the sum would be secured.

British Leyland sacks firemen

Financial Times Reporter

BRITISH LEYLAND has sacked eight firemen found sleeping on duty, the company announced yesterday.

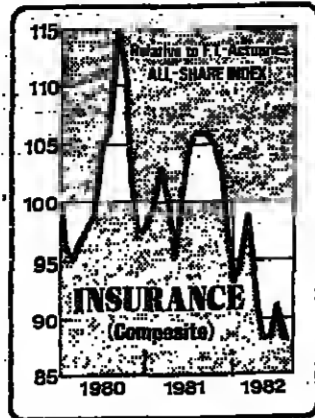
The men were said to have been found asleep at the company's Land-Rover plant at Solihull, West Midlands.

THE WEEK IN THE MARKETS

A relaxing ride on gilt-edged

The gilt-edged market has gone on making the running this week. It has reached a higher level than for three years past, despite chewing its way through appreciable new offerings of stock.

LONDON ONLOOKER



Which is not to suggest that all is joy at TI. The group has scrambled back to a £1m loss (before property items) from a £33m loss in the first half of 1981.

TI trims

TI Group—formerly Tube Investments—has been one of the stock market's favourite targets for ugly rumours, mainly centring around threats to the solvency of its 58 per cent subsidiary British Aluminium.

TI's total sales are up by 5 per cent, with a 10 per cent drop at British Aluminium—reflecting the withdrawal from sales of primary aluminium following the closure of the Invergordon smelter—offset by the consolidation of King Fifth Wheel in the U.S.

At BA, meanwhile, losses of £31m per half year are continuing, with prices of semi-fabricated products still heading down.

Commercial accident

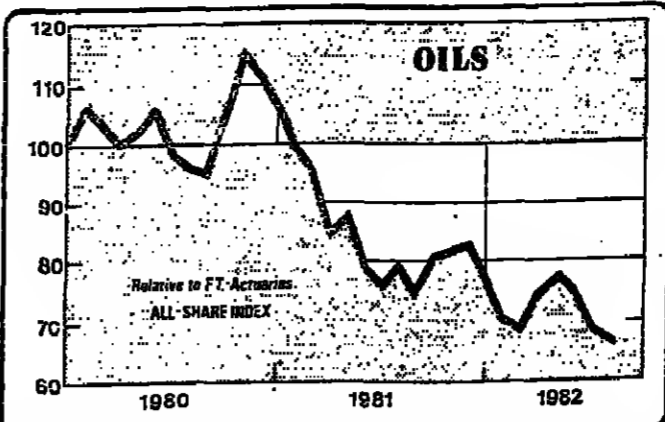
Within the composite insurance sector General Accident enjoys a more fragrant reputation than Commercial Union, but GA's figures prove the higher disappointment to the market.

A recent increase in motor rates—the first for two years—provides small consolation for the unexpectedly large underwriting losses on the commercial side.

Commercial Union's profits drop—it made interim pre-tax profits of £14.2m, as against £41.2m—and the fact that it broke with tradition by only maintaining the interim dividend did not shock the market.

Life on the wave

The quality of Ocean Transport's earnings has never been top grade, while the company has ensured that their make-up is impenetrable to the naked eye, but at least there has been widespread confidence in the market that the dividend was safe.



Company has produced a healthy increase. The decline reflects partly the early effects of the Nigerian import restrictions, while Ocean has lost heavily as bulk ships have come off charter into what the company calls the most depressed spot market since 1969.

Under the terms of the joint venture, Chrysler takes 97 per cent of the equity in return for supplying the plant and most of the cash. Perkins gets only 3 per cent for its know-how of converting petrol engines to diesel and its worldwide marketing network.

Geological jigsaw

Oil shares have been notably weak over the last three months. Since the beginning of May, the FT-Actuaries oil index has dropped by about 15 per cent at least when the All Share broadly held its own.

A week of horrors

NEW YORK PAUL BETTS

IF IT HAD been a newly released motion picture, it would probably have been called "Financial tales from the crypt". The whole week on Wall Street was a horror story in the very best Hammer Films tradition.

The week started with a bank—or more appropriately a trust—with the collapse of the \$5bn proposed merger between Gulf Oil and Cities Service which sent Cities Service stock nosediving and threatened investment houses and professionals with some spectacular losses.

orderly fashion to enable shareholders to get the best value for the large oil company's assets.

These extreme moves helped sustain the stock from dropping even further. But it still looks as if it will be a long day for Cities Service, its shareholders and professionals exposed in the stock before they can relax. As a measure of the shock waves the Cities Service affair sent across Wall Street, John Phelan, the President of the New York Stock Exchange, disclosed that the exchange had canvassed its members this week to gauge the impact of the Cities Service share collapse.

MARKET HIGHLIGHTS OF THE WEEK

Table with columns: Price, Change, 1982 High, 1982 Low. Rows include F.T. Govt. Secs. Index, F.T. Ind. Ord. Index, Black and Edgington, Blockdays, Dwek Group, Eagle Star, Floyds, General Accident, Hongkong and Shanghai Bkg., Hoover A, Jardine Matheson, Jardine Secs., Johnson Grp. Cleaners, Kennen Motor, LASMO, M.L. Holdings, Manchester Ship Canal, Ocean Transport, Quest Automation.

Cornish tin still intrigues

THERE HAS always been something of an air of romance and intrigue about the Cornish tin mining industry, although the miners who work in the narrow wet and dark spaces of the old mines there may not find it very romantic.

They may, however, be intrigued to know why London's big Charter Consolidated is anxious to take over the old South Crofty mine which was in business back in 1857 when Mr R. Treddinick produced his "Review of Cornish and Devon Mining Enterprises."

group with a stake of some 10 per cent. RTZ also has other interests in Cornish tin, including ownership of the relatively young Wheel Jane and Mount Wellington mines plus a stake of 17.9 per cent in the veteran Geevor Tin Mines.



In Gaborone, Botswana, a Setswana girl sorts diamonds from De Beers big new Jwaneng mine. It has been described by Mr Harry Oppenheimer as "probably the most important kimberlite pipe discovered anywhere in the world since the original discoveries in Kimberley more than a century ago."

It is thought that between 25 per cent and 30 per cent of output will be in the form of gem diamonds. The grade of the deposit is high, possibly as much as 90 carats per 100 tonnes of diamondiferous material treated.

CHARTS DON'T LIE! How many people make money in the stock market? Very few. Why? Because most of the information they get is regularly wrong. Charts don't lie—they tell you how many buyers and sellers there really are and they point the way a price will go, before it goes there. Published monthly the AMATEUR CHARTIST is for the ordinary private investor. Don't be put off by technicalities, a little understanding of charts could both save and make you a lot of money. Send for free details: AMATEUR CHARTIST, 3c Fleet Street, London EC4

Expenses not allowable

My wife is employed at a place close to her home and in addition has income from letting a furnished house situated in another town. She manages the letting both from her home by telephone and correspondingly from the house by travelling to the furnished property and the area around it.

FINANCE AND THE FAMILY BY OUR LEGAL STAFF Liability for a hedge My property is divided from the roadway by a hawthorn hedge, estimated to be some sixty years old, which has been trained in the 20 years plus that the house has been built.

Final payment a legacy

I made a final court payment to my former wife last April. This has been accepted by the Court, and I have heard nothing since. Now I gather that a legacy is coming to me soon. Can my former wife claim any money again, after she has received the final payment?

Pension for teachers

I am prompted to write after reading your reply to a Self-employed Pension (June 5). The Teacher's Superannuation Scheme seems to limit pension at age 60 to 50 per cent of final pay assuming that all years after age 20 are doing in which aged 20, am doing at a total cost of 8 per cent of my pay.

sum together) to roughly two-thirds final salary, the Inland Revenue maximum. You can buy an annuity with the lump sum or invest it. The teachers scheme is however weak in comparison with good private sector schemes in terms of widow pension rights if you die young and because it only gives 25 per cent final salary to widows on the husband's death after retirement (assuming always 40 years' service) as compared with one-third salary in those private sector schemes where the employee gets a pension of two-thirds final salary and his widow gets half this, but where he has the right to convert part of his pension to a capital sum so that he finishes up with the same half pay pension plus cash as a teacher but without his wife seeing her pension reduced from one-third to one-quarter.

Handwritten signature: J. J. Collins

YOUR SAVINGS AND INVESTMENTS

Big Brother in a Croydon basement: Rosemary Burr reports

Creditworthiness, the computer and you

IF YOU have borrowed money from a finance house or signed an interest free credit agreement with a store the chances your name is on computer in Croydon basement. The computer is the heart of the United Association for the Protection Trade (UAPT), the largest independent credit information agency in the country.

UAPT, which was established in 1942, is funded by its 10,000 members who pay a small annual subscription and a fee each time they seek information. All the major financial institutions including the banks are members.

UAPT stresses that it does not make credit assessments of consumers but its members use the information stored in its computer when they are deciding whether or not to give credit.

Ruth Cohen, the head of consumer support at the National Consumer Council, says "people are just not aware of what information is kept about them." She thinks people using UAPT's services should be obliged to tell their customers what they are doing and to let them know that for a 25p fee they can check the accuracy of the information stored.

Consumers are relatively well served by legislation on credit because the Consumer Credit Act says people are entitled to

see files about them. In contrast, there is no right to see medical reports or local government files.

In addition, despite the fact that the census is said to be secret and confidential, the electoral register is available to companies like UAPT.

Anyone who is on the electoral register will be able to find their name printed on a small sheet of plastic at UAPT's office. One of the first things companies considering granting credit wish to check is the customer's name and address.

David Plevin, UAPT's marketing director, says use of the electoral register "cuts out some of the fraud. It prevents people using lots of names and giving their correct address or alternatively giving their neighbour's address." He also argues "there is a behavioural link between not filling in your electoral register form and having problems with making payments on a loan."

A quick survey round the office elicited the information that three colleagues, whose creditworthiness I would not doubt, were not on the electoral register.

More useful to finance houses and the like is the 7m bits of information called by UAPT from its members and official sources. First, there is official information which consists of

personal bankruptcies and the firm or so County Court Judgments made each year. This information is kept on file for six years.

Then there is member-supplied data. When finance houses grant you credit they will pass on the details of the agreement and your payment record to UAPT. This provides a picture of your credit record. However, as holding data is expensive this type of information is destroyed after three years.

Last, every time a member seeks information on a customer then this fact is recorded. During 1982 there have been about 330,000 searches on individuals a week, although the recent lifting of hire purchase restrictions has boosted this figure by 20 per cent.

One of the chief concerns about the sort of data held by UAPT must be its accuracy. People who fill in requests for credit agreements in virtually illegible handwriting are all too common. As a result information about a single person may be held under slightly different names.

To get round this problem, as well as those people who use their neighbour's address, the computer has been programmed to provide information on people with similar names and/

or addresses as well as on anyone else at that address.

When David Plevin keyed in my name, out came the information that there was no data on a Miss R. Burr and the computer spewed out details on a Mrs. R. Berry whose address also included the number 123.

David Plevin would not allow me to keep a copy of this as he said it had details about another person on it but this is the form on which the information would be transmitted by computer to one of UAPT's members. In this case argued Plevin, a member would clearly see the two names were unrelated.

While Ruth Cohen thinks that an individual should have the right to receive the information in exactly the same form as a member, David Plevin argues that in cases like this, UAPT would simply have sent a letter saying there was no information held on me.

David Plevin argues: "If we had thought that a member could conceivably have thought BERRY relevant to you, we would have sent it to you. In the real world it would not be used. In practical terms it would cause more confusion if we gave it to members of the public who do not understand our system."

If, however, I had been married or someone else had

given my address as their home I would have received credit details about them, without their permission.

Equally important, my creditworthiness might have been effected by someone living at my address up to six years ago.

David Plevin stresses that the information can be checked and corrected by an individual. He says mistakes are rare, a mere handful a year.

Unlike its U.S. counterpart UAPT does not hold information supplied by banks. Although the banks are members they refuse to provide information on the grounds of customer confidentiality. Of course banks themselves are often used as references on the creditworthiness of an individual.

The banks argue that when a customer opens an account he understands that his manager can be used as a reference. Ruth Cohen, however, objects to this practice as people are not told when information is being given about their affairs nor the content of the message.

The banks, in turn, argue that by telling, say a shop your bank's address you are de facto giving permission for the bank to provide information on your creditworthiness. The banks say they are careful about both



the phrasing of their reply and the type of people to whom they will give it. For example, you were worried about the good standing of a would-be tenant, you would have to get your own bank to ring the tenant's bank to find out about the latter's financial affairs.

David Plevin argues that UAPT is "in the consumer's interests." "If all institutions granting credit used UAPT as a control, credit would be cheaper and easier to get and people would be protected from themselves."

Unfortunately it seems there is one rule for people getting credit through hire purchase, traditionally rather expensive, and another for the more affluent who can flush credit cards around.

There is no limit to the number of credit cards an individual can hold and the companies assess each application separately without knowing what limits, if any, others have granted. David Plevin admitted that in his pocket he had a num-

Loyalty and the taxman

AMID ALL the traumas in the stock market of recent past there remain a number of people who stay loyal to a small portfolio of shares even though hit by more than the normal rate of tax on income. For the very high tax payer this loyalty is often rewarded by a 75 per cent tax rate.

The insurance companies always ready to cash in on the tax advantage of their products, are now beginning to tackle this situation.

One such company is Trident Life Assurance which has improved its shareholder bond scheme, part of its private investment portfolio. The bond was originally developed to provide the benefits of a single premium investment bond to an investor who already had a sizeable shareholding in a publicly quoted company.

Trident, which has already sold approaching 500 personalised bonds, realised that there are a number of people who maintain dormant shareholdings in more than one company. For these the shareholder bond scheme has been extended to cover multi-share portfolios.

The tax shelter principle in all cases is the same as for any life insurance even though the investment, which becomes part of the life company's portfolio, is solely for the benefit of the individual. Investment income is rolled up through the life of the bond, usually 20 years.

Meanwhile the holder is entitled to an income of 5 per cent a year on the value of the bond on which all but 17 per cent of the tax is deferred—hopefully to a time when the recipient's overall tax liability is less onerous.

Up to five different holdings, totalling at least £25,000 and averaging £5,000 or more each, are now acceptable by Trident.

Christopher Cameron-Jones

Curing current account blues

CURRENT ACCOUNT balances are slippery devils. Even if you keep careful record of your ins and outs, you can often be unsure when a cheque will be cleared or when exactly your salary will be paid in. The result can be an embarrassing letter from a bank manager about an overdraft or perhaps the more embarrassing discovery that there is a couple of hundred in your account gathering dust and no interest.

Britain's clearing banks offer a little-known service which can alleviate the current account blues and earn you a bit of money at the same time. The service is called automatic transfer or auto transfer at some banks.

Developed initially for commercial customers, the service provides a weekly review of a current account. Following this, the bank sweeps out any funds in excess of an agreed minimum, say £100, and puts them into a deposit account. Should the current

account be below the agreed minimum, then the bank will sweep money back from the deposit account.

The service guarantees that the current account balance never falls below the minimum, so the customer pays no bank charges. As the deposit account calculates interest daily, the customer also gets the welcome benefit of earning interest on money which would otherwise lie dormant in the current account.

The banks do not publicise this service because it obviously reduces their pool of "free" money, ie those funds upon which they do not have to pay interest. The weekly review, furthermore, has to be done manually because computers apparently are not yet capable of ordering money into and out of the right places at the right time.

Only National Westminster says it doesn't charge for the auto transfer service. The others say the charges are at the

manager's discretion, adding that they vary according to the amount of money involved and the frequency of transactions.

The banks emphasise that the service will not be given to customers looking for a way simply to keep a £50 or £100 minimum in their current account and thus avoid bank charges. Much appeal for auto transfer will be reviewed by the branch manager who has the final decision on whether the customer is granted the service.

If your manager does approve an auto transfer scheme, keep careful watch of your statements in the first few months. If your cheques fall in a bunch during one week, the bank may put you in overdraft for a few days, charge you interest and fees and thus negate some of the benefits of the scheme. If this is the case, you may want to lobby for a daily review of your account, or space out your cheques so there is less chance of falling into overdraft.

Caria Rapoport

The continuing saga of Signal Life

LAST WEEK, we asked what was happening at Signal Life Assurance, the Gibraltar-based life company in which UK savers have invested several million pounds in various forms of life funds.

Investors holding the company's two Gold Income Bonds were told by the trustee to the bonds, the Hongkong and Shanghai Bank Trustee (Jersey), that it had endeavoured to obtain certain information from Signal Life and had failed to do so. Apparently, the trustees had found a picture of confusion at Signal Life.

In its efforts to ascertain what has happened, the trustee has instituted legal proceedings both in the UK and abroad to obtain from Signal Life a full account of what it has done with bondholders' money and to recover any money which may have been mis-applied. Bondholders were informed of this action in

another circular sent out on Wednesday.

This information must cause bondholders even more anxiety, coming on top of a newspaper article in last Sunday's *Sunday Times*.

These particular bonds are income bonds with income payments and capital repayments guaranteed. But according to the prospectus the money is used to finance gold production in a mine at Ten Mile Creek in the Yukon. The article cast doubts on the mining operations and the actual gold production this year, claiming it was behind schedule.

The article also made certain disturbing allegations concerning some of the persons involved in the transactions.

An examination of the writ itself showed that the trustee was taking legal action against several persons or companies involved with Signal Life to find out what has happened to the money. This includes

Hanover Financial Services, the company responsible for marketing Signal's contracts in the UK, and its managing director, Patrick Cherran.

The trustee is also seeking damages against the defendants for breach of trust and/or breach of fiduciary responsibility.

The trustee is not the only person interested in what is happening at Signal Life. The Gibraltar authority has asked Signal to provide by October 5, a complete financial appraisal of the company as at July 31, 1982, by an independent firm of chartered accountants, together with an actuarial valuation on the same date by a UK based actuary.

Bondholders, however, are likely to be more interested in the penultimate paragraph of the latest letter from the trustee which states: "In the meantime, we are actively considering a number of means of ensuring, so far as possible, that

the money you invested is fully "secured."

Clarification of this statement was sought from Mr Derek Harrison, the bank executive handling the enquiry as trustee, since certain intermediaries who have sold Signal Life Gold Bonds are expressing their conviction that Hongkong and Shanghai Bank will financially protect bondholders, thereby getting the intermediaries off the hook on which they are impaled. Mr Harrison would not state what the trustees had in mind but concurred with the question that this idea from the intermediaries was "wishful thinking."

The final remark in the letter from the trustee says that it hopes to put proposals before bondholders within the next six to eight weeks. So bondholders have to live on their nerves for sometime, yet before knowing the outcome.

Eric Short

A question for investors

LAUNCHING A new financial market is no easy matter. Success or failure is determined by the article to be traded, the currency in which dealings take place, the unit chosen and the participants.

Investors are entitled to ask whether the 44-year-old London Traded Options Market offers them a soundly-based market with a sufficiently broad range of investment opportunities.

The market's beginnings were not propitious. Originally intended as a joint venture with the European Options Exchange in Amsterdam, the idea was subsequently shelved but then hurriedly revived when it became clear the Amsterdam project would go ahead. Like Amsterdam, the London market has suffered from the unfamiliarity

of European investors with the option idea.

Neither London nor Amsterdam has grown as quickly as was hoped. London is noteholding up daily turnover of approaching 2,000 contracts in the early months of 1982 while Amsterdam achieved an average 5,600. More recently London has traded 3,000 to 4,000 contracts daily.

Jobbers and brokers in London insist however that there is enough depth to the market for the purposes of the private investor.

"You have a good market in most series for people who want to trade five to 10 contracts," says David Steen of jobbers, Pinchin Denny, Charles Williamson of brokers, Shepards and Chase, backs this up. "There is no increase in risk because of a thin market. There is a fair number of buyers and sellers."

Leslie Powell of brokers, Vickers de Costa, comments: "I don't feel it is an undeep market. Between one and 40 to 50 contracts are being dealt regularly."

Despite these assurances private investors have complained that the difference between the "buy" and "sell" price of particular options quoted by jobbers—the jobber's turn—is too large.

Mr Steen denies this charge, saying that the jobbers "are just washing their faces." But Mr Williamson acknowledges that "when things grow the jobbers' quotes will get more competitive."

Richard Verin, of brokers Seringour, Kamp-Gee, feels the jobber's turn is too large. "But that is not necessarily the fault of the jobbers, it is

a problem of liquidity. There is not enough trade in the options or in the underlying shares."

Increased volumes should reduce the disparity between buying and selling prices since jobbers would be guaranteed finding a matching buyer or seller and their unit costs would come down.

A means of overcoming this problem is for the small investor to make greater use of "public limit orders" (PLOS). These work as follows:

You are quoted 12p buy and 14p sell on an option in which you are interested but you are only willing to buy at 14p. You ask your broker to register a PLO to buy at 14p. This is then fed into the Stock Exchange dealing screen and gives you absolute priority to buy at that price.

A jobber unable to find a buyer at 14p on a quiet day might decide to run his loss and accept your PLO.

Commission charges must also be taken into account. These are £1.50 per contract plus 2.5 per cent on the first £5,000 premium costs, 1.5 per cent on the next £5,000 and 1 per cent on premium amounts above that. There is however an overall minimum charge of £10.

With only 18 options listed, is the investor given the chance to trade in a broad enough range of underlying shares? Mr Steen, who is also chairman of the Stock Exchange's Options Committee, points out that options currently listed cover 28 per cent of the Financial Times All Share Index in terms of market capitalisation. He is opposed to the listing of new options simply because the underlying share offers short-term speculative prospects.

Richard Verin feels more options are needed. "We should have one stock from each market sector and we don't yet," he says. "We need a drug stock. We have three oils and no building or engineering stocks."

"I would like to see an option on a Government bond such as they have in Amsterdam—where they have been very successful."

Mr Williamson sets a target of 25 options and would like to see Hawker Siddeley included on the engineering front, Blue Circle from the building material industry and Beecham or Glaxo among drug stocks.

TRADED OPTIONS
CHARLES BATCHELOR

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I hereby bequeath the sum of _____ pounds free of duty to the Imperial Cancer Research Fund, Lincoln's Inn Fields, London WC2A 3PX for the purpose of scientific research, and I direct that the receipt of the Honorary Treasurer or Secretary shall be a good discharge for such legacy.

Please write for further information to:
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INVESTMENTS

Hong Kong's ups and downs

IT IS a bit like a drunken man wandering in front of a car. Were he not drunk, he would probably not have got in the way. Had the car not come, he would not have been knocked down. So it was with the Hang Seng Index. Drifting down from the 1,300 level for a wander by last weekend around the 1,150 mark, it was already rather dizzy-headed with thoughts of 1997, slower corporate earnings growth, world recession, local recession, a few poor interims and a weak Hong Kong dollar.

PROPERTY

Stately Cotswold conversion

BY JUNE FIELD

WHAT CAN be done with a water-crowfoot and yellow water lilies, and sinuous with tentacles of green ribbon-like leaves which will writhe and curl like an intrepid hatter. The 50-room one-time residence of Lord Sherborne, 71-year-old 7th Baron, is being converted to 30 elegant apartments. Used for educational purposes for some years, the house was sold by Strutt and Parker, Cheltenham, last year for around £250,000 to entrepreneurial developer Mr John Howard, whose company address is given on the documents for the 99-year leases being granted, as care of Deltrust, Fechy, Switzerland.

has often to be a compromise," reminds Mr Peter Yiangou, Greek-Cypriot architect who with Mr Richard Waddington is responsible for the tremendous task of transformation and restoration together with Mr John Parrott of Chelner Constructo of Cheltenham. Some of the studios (from £22,500) are small, but the price still includes the stately amenities of the 12-acre park with its sweeping lawns, orchid-filled orangery, water-garden, indoor swimming pool, tennis courts and lovers' trysting place hidden among the fruit trees.



Sherborne Park in Gloucestershire Cotswolds, once the family home of Lord Sherborne, is being converted to 30 apartments. Studios are from £22,500. 1 bedroom units from £35,000, 2 bedroom, two bathroom accommodation from £62,500, and



Mallards, Coombe End, Chipping Sodbury, Gloucestershire, is a conversion of a low barn to a 4 bedroom home with a lake formed by the upper reaches of the River Frome. Details Michael

Taylor and Fletcher's Stow-on-the-Wold office also has the three bedroom 15th century Sweetlade Farmhouse in five acres in Bourton-on-the-Water, where the ancient manor has long been destroyed, and the parish council are reported to be opposed to letting a developer build six houses in the grounds. A two-bedroom Cotswold stone terrace cottage in the village was on offer around £26,500, a more modern semi-detached house on the outskirts £33,500. Area property details Taylor and Fletcher, Moore Road, and Bruton Knowles, Station Road, both Bourton-on-the-Water, and Blinkhorn and Company, The Square, Stow-on-the-Wold.

OSSEMSLEY MANOR NEW FOREST. Prices from £29,500 to £55,000. An apartment in the elegant surroundings of an historic country house set deep in the New Forest, with unrivalled and unspoilt views.

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CHESS. LEONARD BARDEN. CHESS experts, like many sports competitors, do better in some types of event than others for no clear reason.

BRIDGE. E. P. C. COTTER. IN THIS hand which occurred in a first class pairs tournament, South dealt with neither side vulnerable:

Chess and Bridge puzzles. Includes a chess board diagram and a bridge hand analysis. Text: This rare innovation of the German tactician Kurt Richter has attracted increased attention in recent years.

IBIZA - CALA LONGA. Superb fully furnished and equipped terraced apartments in the Pueblo Espanol village complex for sale direct from the English developer, £25,000. See views, 2 super pools, bars, restaurants, tennis, etc. An ideal family location. Inspection accommodation on site arranged and free to purchasers.

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Bridge hand analysis. Text: but South had a hunch that West had that card. If East had kept his King of hearts, returning the two at trick two, the contract is defeated, because West can part with his Queen.

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LEISURE



Cycling is a way of experiencing landscapes as a participator rather than a spectator

Holidays abroad by pedal power

THE SMART Rijnhotel on the banks of the Rhine at Arnhem might seem an unlikely place to embark on a cycling holiday...

TRAVEL

SYLVIE NICKELS

that from the saddle of a bike no countryside ever seems quite as flat as it appears and that winds have a perverse habit of blowing in the wrong direction.

The range and flexibility of their facilities are quite staggering. Thousands of miles of special tracks are dedicated to the cyclist, many of them giving access to areas of countryside or urban cores not available to motorists.

Such packages can be booked through local VVV offices (well signposted and easily found) but some are marketed by UK firms such as EACH Cycling Holidays.

by soldiers, merchants, drovers and the not-so-low-riding.

As an example, the cost of this arrangement, half board, is 1480 Dkr (about £100) and is half-price for under-12s.

well as intimate contact with the teeming life of field and hedgerow—not to mention the inhabitants of our delightful villages. The Cotswolds are one of the many UK areas featured by EACH Cycling Holidays...

Cycling packages on a similar basis are available in some regions of Sweden, among the best offers being a 34-hour guided pedal around Stockholm.

Sn do those of other specialist organisations such as Free-wheeling Yorkshire and Highland Cycle Tours operating in areas which might ask for rather more muscle power, though daily distances are adjusted accordingly.

The source of all local wisdom on this, as on other aspects of tourism in Holland, are the VVVs (tourist offices), many of which package cycling tours in their own and adjoining regions, with great flexibility and a fine attention to detail.

EACH, which began modestly with a couple of cycling tours in East Anglia a few years ago, now features Holland, France and Denmark as well as most parts of Britain.

Only the other day, the latest leaflet from the London Bicycle Company dropped through the letter box suggesting, with some justification, that there was one way of heating strikes, fare increases and bumper-to-bumper queues in our noble capital.

Further information: Netherlands National Tourist Office, Savory and Moore House, 2nd floor, 143 New Bond St, London W1V 6PD. EACH Cycling Holidays, The Brookshop, Watford, Sufook IP17 3BR. Danish Tourist Board, 169/173 Regent St, London W1R 6PZ. Doo-tourist, Hulgade 21, DK 5700 Svendborg, Denmark. Swedish National Tourist Office, 3 Corb St, London W1X 1HA. London Bicycle Company, 41-42 Flora St, Covent Garden, London WC2E 9DG. Free-wheeling Yorkshire, 16 Lawrence St, York YO1 3BN. Highland Cycle Tours, Highland Guides, Aviemore, Scotland. For guidance on all aspects of recreational cycling, Cyclists Touring Club, 69 Meadrow, Godalming, Surrey GU7 3HS (members only).

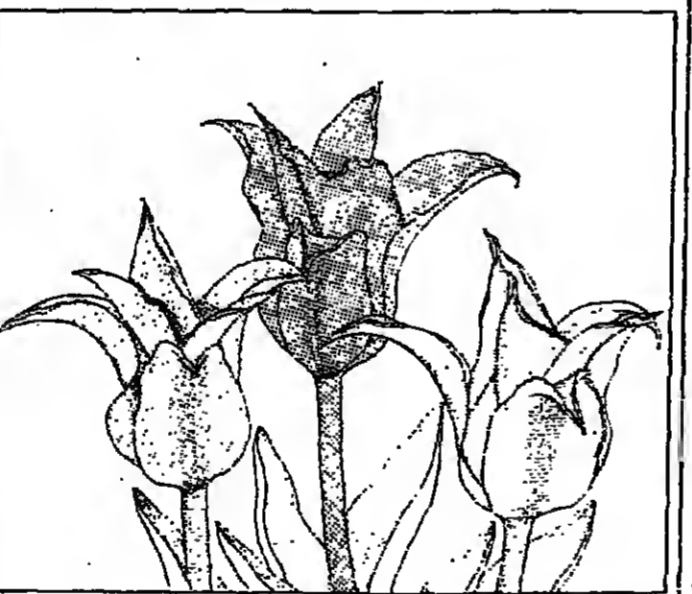
The bulb lists arrive at last

THE BULB LISTS that have already arrived provide welcome evidence of a growing diversity in what is on offer. It is unlikely that much of this will find its way into garden centres or other popular retail outlets...

GARDENING

ARTHUR HELLIER

or summer flowering bulbs but if you want colchicums, autumn crocuses or sternbergias there is no time to lose for they are already starting to grow.



found in some of the new lists, Johnsons of Boston, Lincolnshire, are offering four Viridiflora tulips which are all new to me. Viridiflora is the name given to a class of tulips which all have some green in the flower colour.

But really there is already so much variety that it is difficult to know what more would be desirable. Perhaps a few more varieties with pink cups or trumpets that could be relied on to produce this delicate colour outdoors.

In this list, and also that from de Jager, Marden, Kent, there are several of the less familiar fritillaries including Fritillaria acuminata with elegantly formed bell-shaped flowers coloured greenish-yellow and maroon.

The Jersey Lily, Amaryllis belladonna, is already in flower in some warm and sunny places and will continue right through September. It is best planted in July but if dormant bulbs are still available I would not hesitate to plant them.

It is also good to see a greater than usual selection of the tulips we have been accustomed to calling Triumphs or Mendels but which some catalogues are now sensibly listing as Mid-season. These have many of the qualities of Darwin tulips allied to shorter stems and a flowering season starting in mid-April, a fortnight before the Darwin.

However all the popular favourites are freely available and few will grumble at a selection which includes Mount Hood among the all-white trumpets. Unsurpassable in the yellow trumpets, Trousseau me of the loveliest white and primrose trumpets. Cariton as an all-yellow large cupped narcissus.

'Friends of the diesel car'

THIS IS the year that sales of diesel cars in Britain will really take off. In the first three months, they showed a one-third increase on last year, when total registrations were under 10,000.



The Vauxhall Astra five-door estate with 1.6 litre diesel engine is roomy, economical and reasonable at £5,701. The 3-door hatchback costs £5,143, only £454 more than its petrol engine counterpart

I firmly believe they will be twice that by the end of the year and much of the credit will go to the car I have been driving this week — the Vauxhall Astra 1600D. Except when you fire it up from cold and let the engine idle, it doesn't even sound like a diesel.

MOTURING

STUART MARSHALL

General Motors, very sensibly, designed the 1.6 litre engine that powers both Vauxhall Astra and Cavalier (and their dopplegangers, the Opel Kadett and Ascona) for easy desiccation.

The lack of a British assembled vehicle did more to hold back the diesel car's popularity in Britain than any other reason — though two other factors were also important.

Ignorance of the diesel car's merits, regrettably, has still to be overcome. The September issue of the AA's 'Drive' magazine, out this week, perpetuates the myth that Britain and Germany price Derr much the same as petrol.

That was true a year or two ago but it isn't today. The Astra is ready to go in less than five seconds. The Peugeot 305 estate I had a week or two ago took seven seconds. That is typical of the 1982 model diesel car.

'Things to Come' and all that

VIDEO REVIEW

NIGEL ANDREWS

VISIONS of the future are always best taken as free-range poetic dreamscapes rather than as bets on, or blueprints for, a specific Tomorrow.



A scene from Fritz Lang's Metropolis (1926)

With 1984 only two years away, George Orwell's vision of Big Brother is watching you seems just about as remote as when he wrote it (in 1948): six or seven a few red-blinking video spy-systems in banks of supermarkets. But it's also just as powerful to read as a timeless 'awful warning' parable for mankind.

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BOOKS

Lamb's tale

BY PETER QUENNEL

Young Charles Lamb, 1775-1832

By Winifred F. Courtney. Macmillan, £25. 411 pages.

The Oxford Book of English Prose, edited by Quiller-Couch, which first appeared in 1925, allows 14 pages to Charles Lamb...

ment of boiled leg of mutton before it, to blunt the edge of delicate desire? Lamb's most memorable works...

On Friday afternoon the Coroner and a respectable Jury sat on the body of a Lady in the neighbourhood of Holborn...

quietly back to the asylum together, weeping and between them carrying a strait-jacket. It was this tragedy that at once determined the course of the brother's existence...

Strand and Fleet Street, the innumerable trades, tradesmen and customers, coaches, wagons, playhouses, all the bustle and wickedness round about Covent Garden...



Lamb: celibate clerk of genius

valued. Miss Courtney gives us a good account of her hero's intellectual and political background; and Young Charles Lamb is an interesting and learnedly detailed...

Sound the charge!

BY GEORGE MALCOLM THOMSON

A History of the British Cavalry: 1816-1919 Volume 3, 1872-1898

By 1872, the year that Lord Anglesey's new third volume of his monumental history begins, it was fairly clear that the days of the cavalry were over...

As early as 1864 an intelligent soldier was writing, "the influence of the improved weapons on cavalry must be nearly to destroy its utility as an offensive arm on the field of battle..."



The Life Guards Heavy Camel Corps in Egypt, 1885

C-in-C cannot allow natives to appear dressed in the uniform of the British Army. In desert warfare the Household Cavalry became a Camel Corps...

Manners makyeth Milne

BY VALERY MCCONNELL

The Hollow on the Hill By Christopher Milne. Methuen, £5.95, 154 pages

The search for a personal philosophy which is the subtitle of this book, is a private undertaking. Christopher Milne had fame thrust upon him at an early age...

to-day experience; emotion derived from our inherited memories. Like his father, Christopher Milne has a disarmingly simple style. When applied to discussion of philosophy it makes the arguments seem naive.

Let there be light

BY ISABEL QUIGLY

Oh What a Paradise It Seems by John Cheever. Cape, £5.50, 100 pages

Hunters in the Snow by Tobias Wolff. Cape, £6.95, 175 pages

Quotations from Other Lives by Penelope Giliatt. Secker and Warburg, £8.95, 160 pages

Billion by John Goldsmith. Sidgwick and Jackson, £7.50, 247 pages

"This is a story to be read in bed in an old house on a rainy night," John Cheever begins his short novel, Oh What a Paradise It Seems...

The hero, Lemoel Sears (whose Gulliver connections are surely not fortuitous) is an oldish man, rich enough to fight what seems, or is made to seem, an all-American patriotic effort...

Intertwined are the lives of peoples whose faces, in Sears' view, reflect light and whose faces don't. The conflict is indeed between light and darkness...

"Fiction inoculates the public to the truth," says an anonymous Swiss banker, and John Goldsmith's Billion is about what might, could, or should have happened when gold prices rose and fell two years ago...

Of Penelope Giliatt's new stories, sadly, almost the opposite must be said. Quotations from Other Lives is mostly a disappointment. Its 12 stories, eight from the New Yorker, are of very varying quality...



Cheever cheerful chap

Curtains

BY WILLIAM WEAVER

Duse on Tour: Guido Noccioli's Diaries, 1906/07

Guido Noccioli was a young actor of 25 when he joined the company of Eleonora Duse in the late winter of 1906...

Morocco bound

BY GAY FIRTH

Points in Time by Paul Bowles, Peter Owen, £6.95, 92 pages

With extraordinary skill, in fewer than 100 pages, Paul Bowles takes us on a journey through the Moroccan centuries, pausing along the way to create resonant images of landscape...

Dear diary...

BY JOE ROGALY

Diary of a Year by Lord Longford. Weidenfeld and Nicolson, £10, 234 pages

You meet others of his kind: Malcolm Muggeridge, for example, whose eccentricity can surely not be in doubt; and Lord Stansgate, whose mug of tea and ideas well below his station qualify him as one of the outstanding examples of the genre...

branches of the tamarisks where the camels lie, shaded from the moonlight. But there is no escape from burning, blood-soaked sand, fierce passions, and a conviction, which settles in the mind at the end of this exquisitely crafted little book...

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Advertisement for Fintel service showing a computer terminal screen with exchange rates and contact information for Alan Jones at Fintel Limited.

Dear diary...

BY JOE ROGALY

We may not make the best quality motor cars any more, and we are still rather poor cooks - but when it comes to the production of dear eccentrics no one can touch the British. And one of them if perhaps not the dearest is Lord Longford, whose diary of the year 1981 stands as irrefutable proof of our leadership in this sphere.

Dear diary...

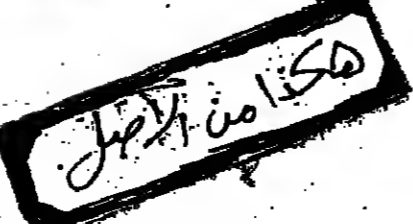
BY JOE ROGALY

only hope that some of his sanctity had rubbed off on me. If so, I gladly passed it on to them. A moment's incredulity, and then bappy laughter.

Dear diary...

BY JOE ROGALY

above all, you meet a man conscious of the importance to humanity of his doing his best to improve humanity's lot. The tragedy is that no such thoughts matter. For Lord Longford is treated as one of his fellow dear eccentrics: as a figure of fun. He is not to be taken seriously. He takes life with deep seriousness, but life does not return the compliment.



سكواي الديل

HOW TO SPEND IT

by Lucia van der Post

Setting the pace for autumn



Big knits with the natural, home-spun look are one of the big Warehouse themes for the autumn. Above is a wool and acrylic dolman-sleeved jumper with a soft, ruffled ethnic-looking pattern, £18.99. The wool and acrylic pleated waist skirt is £16.99, the matching shawl, £8.99. The whole look is given much panache by the accessories—knitted tights, £4.50, leg-warmers at £1.99.



Soft, inexpensive leathers will be a feature of the autumn collection—the black leather parka is just £99.99, the baggy trousers £49.99.

More chunky knits, this time a soft wool, acrylic and mohair handknitted cardigan in soft shades of white and grey. The catalogue will show readers just how to wear it—not loose and banging but pulled together with one of the inexpensive but sturdy leather, brass-buckled belts that Warehouse does so well. The cardigan is £25.99, the striped collarless shirt, £15.99 and the leather belt, £7.99. Jewellery to accessorise and finish off the look will be sold from the branch at 19 Argyll Street, London W1 only.

I'M sorry to remind you so forcibly that summer won't be here for long. The pictures on this page are unmistakably wintery but they are timely being part of a whole new approach to marketing fashion that the Warehouse group embarks on this week when its autumn collection goes into all Warehouse shops.

Warehouse is one of those phenomena of the fashion trade—a one-off, individual operation that has its own philosophy, its own approach to the business. At a time when most fashion houses have been languishing, when rag-trade companies have been going broke faster than a Korean seamstress can sew a seam, Warehouse is flourishing.

You have only to visit one of its stores at any lunch-time and you sense the almost tangible aura of success. It will be crowded with shoppers. They are mainly young working girls but you will also find older women (including fashion editors, many of whom are notoriously snobbish about the labels in their clothes) who have learned that it is a good place to find just the jacket or seasonal T-shirt or up-to-the-minute pair of trousers to pull the rest of their wardrobe together.

Many of these shoppers will visit their nearest branch not just once or twice a year but will look in most weeks, for part of the successful formula is that the shops are given an ever-changing look. It is well-known that Warehouse never carries long runs ("Economic clothes don't need to be volume clothes," believes Jeff Banks, its chief designer) and so if you see an amazing silk T-shirt there this week you'd better buy it there and then because it won't be around tomorrow. Warehouse was started by

the Bennett brothers in 1975 who had perceived that the fashion business was riddled with waste—both garment and fabric producers seemed to find it easier to over-produce than to do proper market research. They found they could buy in the extra-capacity at very advantageous prices and that is how Warehouse first made its name—offering up-to-the-minute clothes at exceptionally low

prices. In the intervening years it has grown so that now there are 11 branches and it no longer buys in anybody else's designs. It is, to use the jargon of the trade, vertically integrated—that is, it designs, manufactures and sells, thus cutting out the costs of the middle-men (the wholesalers and distributors) and so can sell its clothes at half the price of its competi-

tors without any loss of quality. In addition Warehouse has become known for the design flare of its design director, Jeff Banks. His silk ("I do a new collection in very limited quantities, about every six weeks") and leather collections have become particularly sought-after and it is the place the fashionable office-girl who lives or works near a branch will look to first when she needs a new outfit.

However, the particular challenge facing Warehouse at the moment is very interesting. It has grown well and profitability has begun to increase, with the turnover last year reaching just about £3m, but where does it go from there? How does it expand and grow at a time when shopping patterns and habits are changing radically? How does it plan for the next 10 and 20 years?

A few years ago the problem would have appeared to have an easy answer—you grow by opening new branches. Warehouse, with its small, close-knit group of decision-makers, has come to the conclusion that this is now an out-dated way to achieve higher figures and better profitability. They've looked at all the new shopping centres, the high street sites and come to the conclusion that few seem to be flourishing.

Warehouse feels that people are becoming ever more reluctant to travel to high streets to do their shopping, that the accepted centres are having less and less appeal. Those of its competitors who have expanded in the conventional way by opening more shops in more high streets, are struggling to make them pay. Warehouse, therefore, decided that it should look at ways of reaching a bigger public, casting a wider net, with-



out opening more shops—in other words, ways of making each shop attract customers from a much wider catchment area. If, for example, one shop in Romford can attract shoppers from a radius of some 40 miles around it, instead of from the immediate area only, then it is theoretically possible for that shop to have a turnover four times greater.

So the idea was born that perhaps the optimum number of outlets would be about 20 strategically placed shops which, if all went well, could generate the same turnover as say, 80 ordinary shops. The key, the group decided, was to be much more adventurous in reaching the public, in getting the Warehouse message across. The group believed implicitly in what it had to sell—that is, that it was offering keenly priced, highly fashionable, highly wearable clothes, that together added up to a distinctive look and style—what it had to do was to make more people aware of it.

The way to do this, it decided, was to produce a catalogue—not a mail order catalogue, because it didn't want to get involved in that side of things, largely because that would send costs soaring, but a catalogue that proclaimed its special identity loudly and clearly so that any potential customer would be in no doubt at all about what it was selling.

The catalogue is undoubtedly a highly successful-looking venture—a top-class model from New York, with a "new" face, not over-exposed over here was flown over, who has profited exactly the kind of un-freshening, unaggressive, but highly fashionable look that should appeal to a broad spectrum of women. About 400,000 of these cata-

logues are going to be distributed in various ways—some will be inserted into magazines like Company, Over 21 and the like, and in Romford, which is the first target area to test the "wider net" theory, some 45,000 will be delivered into homes in the area.

As you can see from the photographs on this page, which are taken from the catalogue, the booklet projects a high sense of style. Not only are the clothes shown in full colour, but the potential customer is shown how to put them together. Rows of cardigans in a shop have a way of looking very uninviting—but if you have seen how it can look when pulled together with a leather belt with a brass buckle, and how the collarless shirt complements the look and just what the longer length skirt does for it all, then that cardigan begins to look irresistible, as does the shirt and so on.

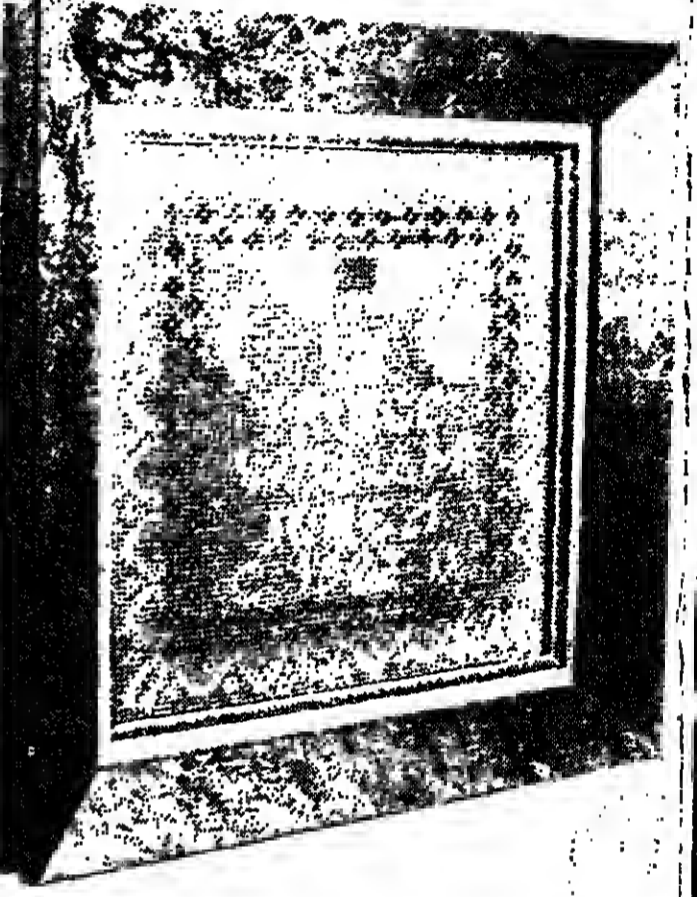
The prices, as always, are immoderately keen—there is a marvellous tweed coat made from a Bill McNurt Donegal tweed, that sells for just £49.99 (I've ordered one already), there is a pure silk crepe-de-chine cowl-necked dress at £48.99 as well as hand-knitted sweaters at £25.99.

If you want to put a total look together but can't quite run to it all at once you can, through the catalogue, organise immediate credit facilities up to £250. Nobody can buy the clothes through the catalogue but the idea is that once having seen it you will seek out your nearest Warehouse branch and when you find it you will know exactly, but exactly, how to put it all together.

Stitching time

QUITE THE most charming memento of the royal baby's birth that I have come across is a small sampler, just 5 1/2 in square, designed by two young housewives, Caroline Denoon Duncan and Julia Hickman. Both have studied embroidery quite seriously, both have done needlework exams, an art foundation course and are members of the Embroiderers' Guild. They first started their joint needlework business by running classes teaching canvas embroidery stitches which were so successful that they have gone from strength to strength. They started designing canvas work kits to give their students easy and relaxing pieces of needlework to do at home. When their friends then started wanting to buy them they realised there might be a wider market for them. Now there is a thriving

mail order business and in September there will be a colour sampler order catalogue available. In the meantime anybody with the birth of a new baby to celebrate might like to buy the kit to make up this little sampler—it comes complete with wool, canvas and chart, and the background to the design may be either blue or a terracotta pink. There is a choice of charts—you can either embroider the commemorative to the birth of Prince William (as in our photograph, below) or there is a chart with a spare alphabet and numbers which allows you to work in the name and date of any other baby. The kit seems remarkably reasonably priced to me at just £5. Write direct to Stitchery, Rose Cottage, Watts Road, Thames Ditton, Surrey KT7 0BX.



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Oil and sundry



IT WASN'T until I first went abroad and tasted those rich, fruity green oils that I realised what olive oil was all about. They were as different from those bland little bottles of oil sold in chemists and supermarkets as my first good bottle of claret was from those sour,

harsh wines that bottle parties in the Sixties used to specialise in. Just as I had suddenly realised why wine buffs could go on so long about the stuff so I began to see why one's more discerning friends went to such lengths to bring back odd-shaped bottles and cans of olive oil whenever they went abroad. As this rich, green oil has been getting more and more expensive, it seemed worthwhile looking into just what it is one is paying for.

Bryan Llewellyn, managing director of the Elizabeth David shop in Bourne Street, London SW1, as well as Covent Garden Kitchen Supplies at 3 North Row, The Market, Covent Garden, London WC2, is to olive oil what I suppose, Edmund Penning-Rowell is to claret—that is, he knows, loves and cares about it.

Bryan Llewellyn is in no doubt that the best olive oil in the world comes from Tuscany. There the big chianti estates nearly all have a small grove of olives, possibly not more than 1,000 trees, from which they glean a relatively modest harvest. Each of these estates will produce its own distinctive oil and oil buffs will go round from estate to estate tasting the harvest in almost exactly the same way as the wine experts do.

many of the restaurants when you ask for a salad they will bring you a trolley laden with oils and you can discuss with the waiter, in a reverential way, which of the many oils would complement your mood/the day/the salad. In Bryan Llewellyn's shops there are two extra virgin oils from Tuscany at the moment—there is Colombarino from Monte Amiata (£2.95 a 1-litre bottle) and Il Picciolo from Montisi (£4.50 for a 0.7-litre bottle). With the oil from Monte Amiata comes a charming leaflet explaining that olive oil from the mountains is very highly prized—the higher the altitude the less likely there are to be the bacteria which cause acidity. The lower the acidity in the oil, the sweeter and truer the flavour.

The olive is harvested somewhere about the end of November and then it is crushed. The first pressing is a cold pressing and the result of this is called a virgin oil. Virgin oil has the warmest, sweetest, most delicate of flavours and to quality for that label it must have an acidity content of less than 2 1/2 per cent. If it has an acidity level that is lower than 1 per cent, then it can bear the label "extra virgin"—this is, needless to say, the most highly prized of all.

Virgin oils tend to be a dark green colour with a certain amount of sediment which may be a bit uninviting to those more used to the smooth, yellowish that is found on most supermarket shelves. The sediment, however, is perfectly natural and should just be

skipped up before you use the oil.

After the virgin oils from the single estates come the virgin oils blended from different estates—many of the big estates will blend their own oils from year to year in exactly the same way as the wine masters in Bordeaux blend their wines—they learn to achieve more standard taste and quality which many buyers prefer to the more wayward products of the single grove.

After the first pressing, there is a mash that remains. This is then heated and pressed again and the oil from this is called the second pressing. It will not have the distinctive, fruity flavour of the first pressing but it will be correspondingly cheaper. After this the oil becomes increasingly flavourless and increasingly like the almost medicinal products that might just as well be sunflower or any other vegetable oil for all that remains of the taste of the olive.

As a rough rule of thumb the oils from France have a more delicate flavour than those of Italy and as such are possibly more suitable for such things as making mayonnaise and for using on delicately flavoured vegetables which the fruitier Italian flavours might drown. Of the French oils James Plagniol's Provencal oil is one of the best—a first quality second pressing oil will cost about £3.13 a litre if you buy a 2 1/2 litre tin (as opposed to the Il Picciolo extra virgin oil from Montisi which works out at about £8.25 a litre). The beautiful James

Plagniol bottles are highly sought-after and as such are expensive (£4.60 for a litre bottle) but the oil in them is exactly the same as that in the tins.

When using olive oil for cooking make sure not to overheat or burn it as this will spoil its flavour—it is worth buying a bottle of the Monte Amiata for the charm of its accompanying leaflet, quite apart from the flavour of the oil. The leaflet is full of wonderfully earthy peasant suggestions for using oil—particularly useful for trouble-free summer cooking.

Don't use your fine oils all the time—save them for salad dressings, for a mayonnaise to complement a fine fish or special vegetables. The Tuscan oils are really too fruity for mayonnaise—now that oil has become so expensive I often use half olive oil and half vegetable oil and this seems to work very well.

Those living out of London may have trouble tracking down a good olive oil. Most supermarkets and food chains seem to sell nothing but their own brand, over-refined, almost medicinal versions of the oil. The best thing to do is to cultivate the owner of your local delicatessen shop—a good Greek or Italian delialessen should offer several varieties and the owner may well turn out to be surprisingly knowledgeable.

If you do buy good olive oil make sure you keep it in the dark—sunlight or bright light will destroy it. If you really become inter-

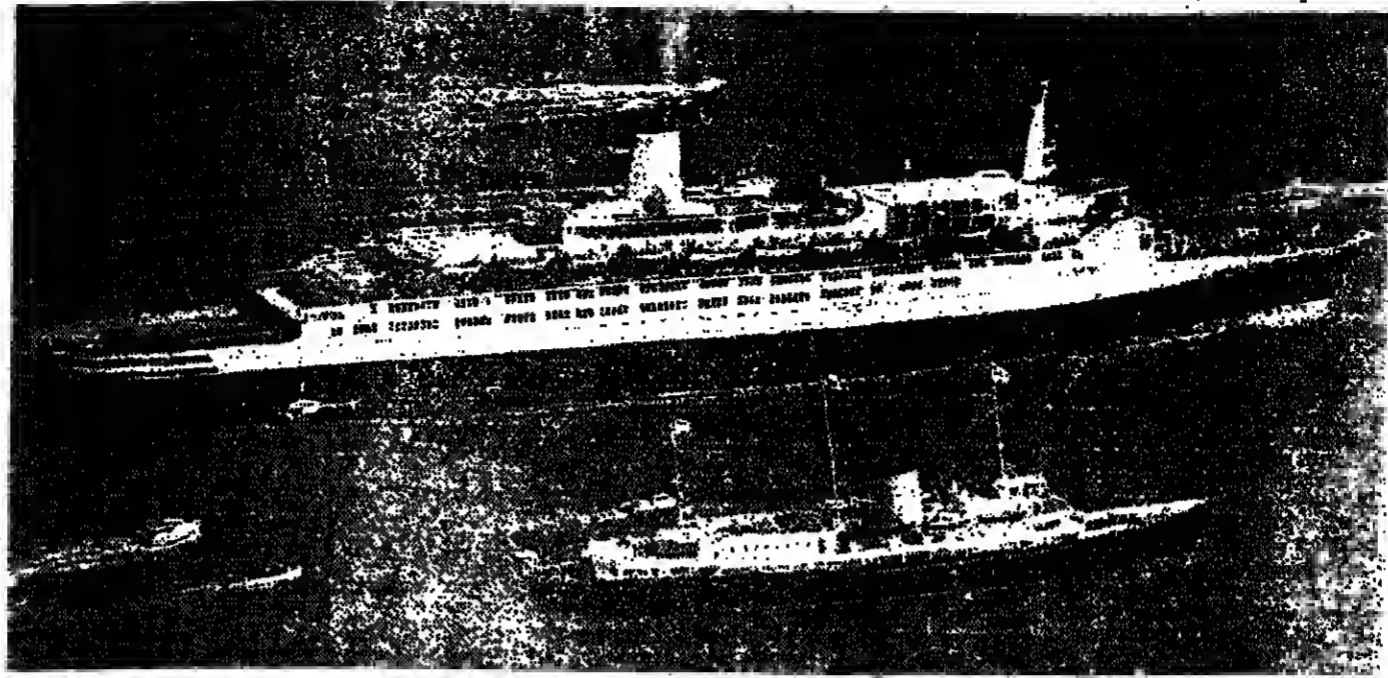


ested in the whole subject you can move on to experiment with walnut (which visitors to the Dordogne and the Perigord will know all about) and hazel nut oil. Hazelnut oil has a rather strong, sweetish taste and is particularly good-used in the dressing for a Waldorf salad and very good for gently cooking vegetables like courgettes. Walnut oil makes a wonderful accompaniment to any pasta salad (use lemon, not vinegar), gives an interesting flavour to a remoulade sauce and both the nut oils are very good for cooking fish. If you want to experiment with these oils but can't find local suppliers, Covent Garden Kitchen Supplies will organise mail order if you contact them first. (Tel: 01-836 9167.)

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Arthur Sandles reports on the cruising industry as Britain's major liners are refitted after the Falklands campaign

All dressed up and ready to go



The Queen Elizabeth 2 returning to England after the Falklands fighting passes the Royal yacht Britannia

CUNARD WILL be making the most of this morning's departure of the QE2 for New York — the liner's first passenger-carrying trip since she was requisitioned for service as a troop ship during the Falklands crisis.

The bunting will be abundant, the bands bigger, the cheers louder and the smiles broader than usual. Hordes of TV cameramen have been taken on board for the cross-Channel hop to Cherbourg.

Lord Matthews, the Cunard chairman, must hope that his pictures will fill the world's television screens. For the fact is that passenger shipping generally needs such publicity desperately. Today there is not an empty cabin aboard the QE2 — partly due to the glamour of its return — but cruising generally is enduring what is euphemistically described as a "soft" season.

If the departure of the QE2 from Southampton and its expected triumphant arrival in New York next Thursday can rekindle a sea-borne passenger enthusiasm then the glasses will be raised in many a shipping boardroom.

Today the QE2 is a somewhat different creature from that which its first passengers saw more than a decade ago. There is a different colour for a start. After years of having a black hull with her white superstructure, as a result of her post-Falklands refurbishing, she now has a grey hull. The red funnel of Cunard's golden age has returned. She looks either graciously stately or strikingly drab according to your taste in such things.

Inside too there have been major alterations, a complete rebuilding of the ship's prime restaurant, the Queen's Grill and several pieces of what

Cunard calls "cosmetic changes".

In less than a month's time it will be P & O's turn to put on the big show. The Canberra, which also served in the Falklands, will sail for Gibraltar on the first stage of a two-week Mediterranean cruise and she too will be fully booked. There is a waiting list of passengers wanting to pay the \$587-\$1,739 that a berth costs for the voyage.

Towards the end of September a third Falklands vessel, P & O's Uganda, will be showing off her new paint and setting sail for Cadix and a return to her permanent territory in the Med on educational cruises.

P & O too will be incorporating substantial changes to the interior of their ships. In the case of the Canberra, apart from recarpeting and redecorating the vessel there will be major air conditioning changes and a new bar.

For both P & O and Cunard, and probably for other lines which have been observing the post-Falklands refitting operations, the experience has provided some valuable lessons.

"We are thinking of the QE2 now as having a fairly indefinite life," says Cunard. "We have been impressed by what we can do in only two months. We realise that we have a body within which we can replace any organ we choose when we wish to."

In particular Cunard has been able to spend a great deal of time on the ship's turbines. The QE2 has three, and on the first "shakedown" cruise of Christmas 1982 they gave a great deal of trouble. Since then, however, they have whirred away problem-free and Cunard's main method of servicing them has been to shut them down for a time on cruises (where speeds are lower than on trans-Atlantic runs) and do most routine servicing at sea. "Now we have been able to give them the equivalent of a 50,000 mile service." Crucial fuel efficiency may be improved as a result.

For all the razzmatazz at Southampton today, however, the British are not the cruising or trans-Atlantic voyagers that once they were. While cruising internationally has grown over the past 20 years, and while there is optimism for the future, in spite of the present lull, sales of cruises to the British have dwindled. It is thought that the present UK cruise market of around 100,000 people a year is only half what it was a decade ago.

It is not necessarily the cost of a cruise that has done the damage. Even at the top end of the market where the QE2, Canberra and P & O's new Sea Princess operate, a reasonable outside cabin with full meals and a regular supply of new vistas will cost only between £80-£100 a day. This is considerably less than a de luxe room in Park Lane or mid-town Manhattan would cost with meals, and in the ships' case it is a hotel that moves.

The UK decline seems to result from the British weather and the appeal of rival attractions. If a ship sails out of Southampton it is a day or so before she hits the really warm waters of cruising territory. The big league departure ports for cruises these days are Miami, Los Angeles and Piraeus.

The market for cruise out of the UK has gone increasingly to small Soviet ships whose remarkably low prices reflect a need for hard currency rather than a realistic view of ship-board economics. It is increasingly clear that the UK market alone cannot support too many ships of the QE2's ilk which may have to gross £150,000 a day to stay in profit—a level Cunard claims to be achieving.

Twenty years ago cruising in many regions of the world, notably the Pacific, was simply a matter of catching mixed passenger and cargo liners heading in a suitable direction. Today the liners have largely gone, replaced by unromantic container ships. The demand is now met by the specifically designed cruise vessels that today's market demands.

These ships tend to be owned and operated by the British, the Norwegians and the

Russians. The crews are a mixed collection of the international seafaring world.

Most of the up-market ships tend to operate in the Caribbean, on the Mexican and U.S. Pacific coasts and in the south west Pacific. In these areas where the customers are predominantly American, but increasingly polyglot, there seems to be an almost universal optimism in the shipping community.

P & O's recent decision to go ahead with the building of a 40,000 grr vessel at the Warfisa yard in Finland was not taken in isolation (before the Falklands crisis arose it was assumed that the new ship's arrival would see the Canberra's departure). The P & O order brought the number of cruise

ships under construction worldwide to six. A further six new vessels will have entered service in the course of this year.

With the exception of the Sea Princess none of these is aimed at the puny UK market. The target is the world-wide cruise business, with an estimated 2.5m passengers a year at present.

It must be remembered that the lead time in shipbuilding is considerable. The P & O ship being built in Finland may not be in service until the spring of 1983. Vessels entering service now were (tured to coincide with the much predicted recovery in the U.S. and world economy. The ships are now arriving, the upturn that is supposed to support them is not.

The cost of doing all this was probably less than the basic \$130m which RCL is said to be paying for its Song of America and far less than the £200m which Cunard reckons it would cost to build a new QE2 today.

But, none of this construction is being done in Britain. The Germans have picked up some but the market has been cornered largely by the Finns. The Koreans and Japanese yards have as yet shown little sign of breaking into the business. In the past years such as Finland, and Wärtsilä were regarded as natural places to shop for new tonnage. Today, however, it is the shipyards of Helsinki that echo to the sound of passenger shipbuilding activity rather than those of Belfast or the Clyde.

Thus the QE2 sails off today when world passenger shipping is in an uncertain state. The world's fleets are all dressed up and ready to go. The question is whether the market place has the wherewithal to purchase their undoubted pleasures.

The big ships should not be

Weekend Brief

Commemorating a raid of 1942

AS LONG as old soldiers survive, the 1942 Dieppe Raid will be argued over — along with those other less than spectacular successes of World War II — Arrhen and Cassino.

It is 40 years ago this month that 5,000 Canadian troops, stationed in England and mostly around Aldershot and Salisbury Plain, were called on to lead "Operation Jubilee" — an assault on the German defences in the Dieppe area, an attack which was widely regarded as a "rehearsal" for the eventual invasion of Fortress Europe, then nearly two years away, but only 2,200 returned.

The all-night vigil next Wednesday-Thursday will therefore be an emotionally charged event for Canada's contingent to the 40th Dieppe raid commemoration.

Each year the ranks of the Dieppe survivors thin, and the controversy over the raid still rages. Scores of books have been published in Canada and Dieppe and recently television documentaries and extensive newspaper coverage have firmly implanted doubts in the minds of the Canadian public.

As Montrealer Georges Giguère, president of the Dieppe Prisoners of War Association, puts it: "The effort was but of all proportion to the immense risks involved and men died needlessly."

Dennis Whitaker, then a captain in the Royal Hamilton Light Infantry, said: "It was the worst military plan I have ever seen and bloody disgraceful. I would not have attacked there, but somewhere else where we could have achieved penetration."

"Later I told Admiral Mountbatten what a German soldier said to me after we briefly took the Dieppe Casino: 'We've been waiting for you three days.'"

For other Canadians, such as Jack Nissenthal of Toronto formerly of the Saskatchewan Regiment, and who successfully cut land mines forcing the Germans to reveal their radar resources, the raid had its legitimate military purposes. They believe that the Germans had very little warning of the raid.

However, many veterans are

convinced that the raid's real purpose was primarily political and the result of Canadians agitating for action.

Of the total 8,100 men who left England for Dieppe on August 18, 1942, 4,983 were Canadians. The rest were British commandos and a few U.S. Rangers and Free French soldiers. Only 2,211 Canadians returned to England on August 19, and the others were dead, dying, wounded or captured at

Dieppe. Including those who died of wounds while prisoners of war after their return to England, 907 Canadians lost their lives. Of those three VC's awarded two went to Canadians.

The Federal Department of Veterans Affairs in Canada has mislabeled an official party of 50 Canadians to the 40th Dieppe vigil and every Canadian regiment and unit at Dieppe will be represented, including those in North Africa, Italy and Normandy.

Whitaker, later a brigadier and successful businessman on his return to Canada after the war, it will be his fourth Dieppe vigil.

Despite his criticisms, he says that the Dieppe sacrifices were not in vain. The military and organisational mistakes were so bad that they had to be corrected and this saved thousands of lives in subsequent landings in North Africa, Italy and Normandy.

They must have written that before receiving Patrick Moore's contribution: "Any Prime Minister, except Mrs Thatcher, since the time of Churchill, would have allowed them to get away with it! Had this happened, Gibraltar would have been the next to go—followed, possibly, by the Isle of Wight."

But future historians, Joia a cinema queue, with your BBC paperback tucked neatly into your pocket.

Authors Take Sides on the Falklands, edited by Cecil Wooll and Jean Moorcroft. (Lutterworth Publishers, £4.95 (h.b. paperback), 144 pages.)

Counted Them All Back: The Battle for the Falklands, by Brian Hurlingham and Robert Fox. (BBC Publications, £1.95, 128 pages.)



Some of the survivors from Dieppe returning to England

landings are published this week, with Brian Hurlingham's memorable phrase as title. His pieces, and Robert Fox's, are refreshingly short on opinion; they read no less well in print as they sounded on the air from the South Atlantic.

But the crew of novelists, poets, playwrights, humourists, politicians and academics conscripted here—writers in the broadest sense—lay down minefields of pretension. Dragged into alphabetical order ("in the cause of objectivity"), armed to the teeth with sidwinder convictions and round upon rattling round of words, they fired off replies to a questionnaire, following a precedent set by W. H. Auden in 1937, at the time of the Spanish Civil War. About one-

third of those "chosen regardless of any known opinions" did not reply to the request to say "for" or "against" our Government's response to the Argentine annexation, and "how, in your view, should the dispute in the South Atlantic be resolved."

Of those who did, 39 are "for", 59 "against", and eight seem pretty neutral. Cecil Wooll and Jean Moorcroft, Wilson, joint recruiting officers, editors, and publishers of "a book to provide a much-needed forum of debate," may have got the "random mix" they wanted; but they might have done as well — perhaps better — on a canvas as any cinema queue.

With only four contributors expressing doubt about the venture, a single sentence from

Frank Muir sums up the obvious: "My political views on the Falklands are about as worth reading as General Galtieri's views on 18th-century humorous novels."

For the rest, few flickers of doubt intrude. Jill Cooper thinks "Mrs Thatcher magnificent, our troops even better"; John Papworth is sure that "the answer is not to be found in that dangerously futile quango, the UN"; Dannie Absie sounds off on the legend of Helen, who may or may not have gone to Troy. The publishers declare their earnest hope that "future historians may find in this book a valuable record of intelligent contemporary opinions on the Falklands' conflict."

TODAY: Barclays Bank starts Saturday opening of its branches. Executive meeting of the Social Democratic and Labour party to discuss forthcoming elections for the new Northern Ireland Assembly. International Festival of Sound and Video opens at Harrogate Exhibition Centre (until August 17).

TOMORROW: Namibia ceasefire due to start.

MONDAY: Department of Trade issues provisional retail sales figures for July.

TUESDAY: Civil Service union leaders meet to discuss the report of the Megaw inquiry into a new system of pay determination. Armed Forces Minister Mr

Economic diary

Peter Blaker starts three-day visit to Gibraltar, Australian Budget, Mr Charles Haughey, Irish Prime Minister, due to meet union leaders over public spending cuts.

WEDNESDAY: Central Statistical Office gives preliminary estimate of gross domestic product based on output data for the second quarter. Department of Employment issues indices of average earnings in June and basic rates of wages in July. TUC Economic Policy Organisation Committee meets. Central Bank leaders to meet in Abu Dhabi to discuss commercial co-operation

THURSDAY: Cerebral indicators for the UK economy to August announced by the Central Statistical Office. Department of Industry publishes provisional figures for capital expenditure by the manufacturing distributive and service industries and provisional statistics for manufacturers' and distributors' stocks for the second quarter. London dollar and sterling certificates of deposit for mid-July. UK Banks' assets and liabilities and the money stock (mid-July). U.S. Congress recesses.

FRIDAY: Sales and orders in the engineering industries in May.

he worst of this summer

A task force of 105 authors, 88 men and 17 women, sails today in hard and soft covers to carry on the battle in the South Atlantic.

You can count them all out— from John Arden to Heathcote Williams—and you can count them all back through Muriel Sparshott, Christopher Hampton, Roald Dahl, Max Beloff. But you will be much less the wiser without two BBC reporters, recently returned from the Falk-

lands are published this week, with Brian Hurlingham's memorable phrase as title. His pieces, and Robert Fox's, are refreshingly short on opinion; they read no less well in print as they sounded on the air from the South Atlantic.

But the crew of novelists, poets, playwrights, humourists, politicians and academics conscripted here—writers in the broadest sense—lay down minefields of pretension. Dragged into alphabetical order ("in the cause of objectivity"), armed to the teeth with sidwinder convictions and round upon rattling round of words, they fired off replies to a questionnaire, following a precedent set by W. H. Auden in 1937, at the time of the Spanish Civil War. About one-

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phase would make accessible another 50 miles of river, as far as Clifton Hamden.

It is envisaged that, if everything works as hoped, the Thames will become a commercial as well as sporting salmon fishery. Of every three that enter the river, one would be to spawn the second for anglers the third for the fish market.

The main threat as ever is man made. Illegal netting in the estuaries by commercial fishermen ostensibly after sea fish has already played havoc with other salmon fisheries, and could do the same to the Thames.

In the meantime I shall forgo the summer's mornington be up and casting about, albeit fruitlessly. I shall not, lightly, forgive my wife. That I should open the freezer to find a perfect 6-pounder—she who must be obeyed had skulled off to the local Bejams for one—struck me as a truly coarse fisherman's joke.

Contributors:
Robert Gibbens
Gay Firth
John Griffiths

BUILDING SOCIETY RATES

	Deposit %	Share %	Sob'pn acc'mts %	Sob'pn shares %	*Term shares %
Abbey National	8.50	8.75	10.00	10.25-1. year high option, 10.75 6 years	sixty plus, 9.25-10.75 15 years open bondshares
Ald to Thrift	9.55	9.50	—	—	—
Alliance	8.50	8.75	10.50	10.25 4 years, 10.25 f500 min, 2 mths. not. or f100 + 60 days int. pen.	—
Anglia	8.50	8.75	10.00	10.75 6 y. 3 m. not., 3 y. 2 m. not. 10.25 1 mth. not. all int. loss	—
Birmingham and Bridgewater	8.50	8.75	10.25	10.75 5 years, 9.85 2 y. 3 m.	—
Bradford and Bingley	8.25	8.75	10.00	—	—
Britannica	8.50	8.75	10.00	10.75 5 y. option bond, 10.00 2 m. not.	—
Bury	8.50	8.75	10.00	11.25 5 years, 3 mth. not., 9.75 3 m. not.	—
Cardiff	8.50	8.75	10.25	9.50 on bal. £3,000-10,000, 7 to 25,000	—
Cardwell	10.00	9.00	10.00	9.25 on share balances of £5,001+	—
Chester	8.50	8.75	10.00	10.00 1 mth. or on demand (int. pen.)	—
Cheltenham and Gloucester	8.50	8.75	11.00	—	—
Cheltenham and Gloucester	—	9.75	—	—	—
—	—	—	—	—	—
Citizens Regency	8.50	9.00	10.25	10.75 5 y., 10.05 3 mth. min./Ann. int. fss	—
City of London (The)	8.75	9.10	10.25	10.25 C.C. sis. — min./vol. — no pen.	—
Coventry Economic	9.50	8.75	10.25	10.50 4 yrs., 10.25 3 yrs., 10.00 3 mths.	—
Derbyshire	8.50	8.75	10.00	9.25-9.85 (3 months' notice)	—
Ealing and Acton	8.50	9.25	—	9.90 2 yrs., £2,000 min.	—
Gateway	8.50	8.75	10.00	10.75 5 years	—
Gateway	—	9.75	—	—	—
Guardian	8.50	9.00	—	10.75 6 mth, 10.25 3 mth., f1,000 min.	—
Halifax	8.50	8.75	10.00	10.25 5 yrs., 3 mth. wdl. notice	—
Heart of England	8.50	8.75	10.50	—	—
Hearts of Oak and Enfield	8.50	9.00	10.50	10.75 5 yrs., 10.25 6 mth., 10.00 4 mth.	—
Hemel Hempstead	8.50	8.75	10.25	11.25 5 years, 10.25 3 months	—
Hendon	9.00	9.75	—	10.50 6 months, 10.25 3 months	—
Laureth	8.50	9.00	10.50	11.00 5 years, 10.75 6 months' notice	—
Leamington Spa	8.60	8.85	11.93	10.35 1 year	—
Leeds and Holbeck	8.50	8.75	10.50	10.75 5 yrs., 9.75 1 mth. int. penalty	—
Leeds Permanent	8.50	8.75	10.00	10.25 3 yrs., E.I. s/c f500 min. 9.75	—
Letcher	8.50	8.75	10.00	10.75 5 yrs., 10.25 4 yrs., 9.75 3 mths.	—
London Grosveor	8.00	9.25	11.00	9.75 3 mths. notice 1 mth. int. pen.	—
Middlesbrough	8.50	8.75	10.25	10.25 1 year	—
Morringham	9.30	9.80	—	—	—
National Counties	8.75	9.05	10.05	10.00 1 cal. wnmth min. deposit f500, 10.75 6 mths. min. deposit f500	—
Nationwide	9.50	9.75	10.00	10.25 3 yrs., 1500 min. imm. wdl. penalty, Bous a/c 9.75 f500 min. imm. wdl. with penalty	—
Newcastle	8.50	8.75	10.00	10.75 4 yrs., 9.75 28 days' notice, or on demand 28 days' int. penalty	—
New Cross	9.25	9.50	—	9.50-10.00 on share accs. depending on min. balance over 6 months	—
Northern Rock	8.50	8.75	10.00	10.75 5 yrs., 10.25 4 yrs., 9.75 2 yrs.	—
Norwich	8.50	8.75	10.25	9.75 3 yrs., 9.50 2 yrs.	—
Paddington	8.25	9.25	10.75	10.25 Loss 1 month int. on sums wdl.	—
Peacham Mutual	9.25	9.50	—	10.00 2 y., 10.5 3 y., 11.0 4 y., 9.75 Bns.	—
Portsmouth	8.85	9.05	10.55	11.10 (5 yrs.) to 10.50 (6 mths.)	—
Property Owners	8.75	9.25	10.75	10.75 4 yrs., 10.75 6 mth., 10.25 3 mth.	—
Provincial	8.50	8.75	10.00	10.75 3 yrs., 9.75 1 month	—
Scarborough	8.50	8.75	10.00	11.00 3 months' notice int. pen.	—
Skipton	9.50	8.75	10.00	9.85-10.00 28 days' interest penalty	—
Sussex County	8.75	9.00	11.25	10.00 2 yrs., (early withdrawal option)	—
Sussex Mutual	8.75	9.25	10.75	9.50-10.75 all with special options	—
Town and Country	8.80	8.75	10.00	10.50 3 y., 60 d. wdl. not., 10 1 m. nt. or imp. wdl. 28 days' int. loss	—
Wessex	8.75	9.00	—	—	—
Woolwich	8.50	8.75	10.00	10.25 90 days' int. loss, 9.75 limcd. access (int. loss) or 28 yrs. not.	—
Yorkshire	8.50	8.75	10.00	10.25 5 yrs., 10.25 4 yrs., 9.75 3 yrs., 9.25 2 yrs., 10.00 Golden Key 28 days' penalty interest	—

* Rates normally variable in line with changes in ordinary share rates.

All these rates are after basic rate tax liability has been settled on behalf of the investor.

Fishing for elusive Thames salmon

By 9.30 am with the sun beating down hard on the water, I had become convinced that Mr Hugh Fish, the jovial and apologetic Chief Executive of the Thames Water Authority, has been having us all on. Somewhere out there, in the opaque

But now undisputedly clean water of the Thames, there have been at least one of the 70,000 salmon with which the authority has been stocking the river since 1979. Like a shoal of other anglers, I was tempted by the lure of becoming the first to catch a Thames Salmon with a rod for 150 years. (The TWA's £250 prize was of course an afterthought.)

Four hours after creeping down to the water, to the curses of bleary eyed sparrows, I had caught two rocks and an extreme bout of bunger.

The strategy had seemed perfect. Penton Hook, with its three wings on the outskirts of Staines, appeared on the map to be just the place where a self-respecting salmon would stop for a breather on its journey to upstream breeding waters. It is also only a short distance above the Sunbury Weir where last week, Leslie Norris claimed to have caught a five-pounder. (Quite what was fishy about the fish is still unclear but the TWA withheld the prize.)

The situation on the ground looked even more hopeful. So complex is the island network around Penton Hook, salmon almost need an A-Z to find the leap. One could imagine dozens

UK COMPANY NEWS

First-half loss cut at Automotive Products

FIRST-HALF pre-tax losses of Automotive Products have been cut sharply from £2.9m to £1.2m for the period to June 30, 1982. Sales of this vehicle and aircraft equipment manufacturer rose by £3.7m to £105.8m.

Ault & Wiborg maintains recovery—£0.7m midway

THE IMPROVEMENT seen at Ault and Wiborg Group in the second half last year, when first-half losses of £565,000 were transformed into profits of £120,000 at the year-end, continued into the first half of the current year. Pre-tax profits came out at £731,000 in the six months to June 30 1982.

Turnover of this manufacturer and marketer of printing inks, printers' rollers, paints, chemicals and coatings, rose from £26.28m to £31.1m. The interim dividend is set at 0.5p, a 0.75p net — last year's total was 1.25p.

Stirling Gp. advances to £1.08m for year

A RISE in second half pre-tax profits from £284,000 to £555,000 helped take Stirling Group's profits for the year to March 31, 1982 from £763,000 to £1,080,000, on sales up from £10.55m to £13.73m.

Press expansion in U.S. and Australia costs £17m

BY CHARLES BATCHELOR. William Press Group, the mechanical engineering contractor, yesterday announced details of its long-awaited expansion in the U.S. and Australia.

BIDS AND DEALS

comprising land, buildings, vehicles and computer hardware at present leased by Fisk. The acquisition depends on the approval of Fisk's shareholders at an extraordinary meeting called for August 31.

Vehicle sales at 'lowest ebb' but Manor National fights back

REDUCED pre-tax losses of £68,000 compared with £125,000 are reported by Manor National for the half-year to June 30 1982. Turnover improved from £28.23m to £29.77m.

a break-even position before tax and preference dividends in trading in the first five months but, unfortunately, he says, vehicle sales in June were at their lowest ebb with a loss being incurred in that month.

Kennedy Smale downturn in second half

Second-half taxable profits of Kennedy Smale have fallen from £439,542 last time to £363,954, but full year figures, to March 31 1982 were ahead at £1,074,983, against £941,202 previously.

Mixconcrete says Pioneer bid is 'wholly inadequate'

Mixconcrete (Holdings) yesterday issued a detailed rejection of the £14.4m bid from Pioneer Concrete (Holdings) charging that the price offered was "wholly inadequate".

Harvard Int. buys Alba business

Harvard International through one of its subsidiaries, has purchased the business of Alba from Mr. Guy Parsons and Mr. Alan Milnes of Peat, Marwick, Mitchell and Co., receivers of A. J. Balcombe, of Bull Leaze, Edmonton.

Dollands Photographic in reverse

Pre-tax losses of £165,067, against profits of £20,120, are reported by Dollands Photographic Holdings, formerly British Cinematograph Theatres, for the year to January 31, 1982. Turnover, excluding VAT, was up from £3.91m to £4.14m.

United Glass reduces deficit

SALES FOR the 29 weeks to June 12, 1982 of United Glass rose from £90.46m to £97.5m, while pre-tax losses were reduced from £4.62m to £0.54m.

The directors explain that the improvement in sales and trading profit derives mainly from the glass container business which, to the first half of 1981, was adversely affected by an industrial dispute and a severe cut in output in order to reduce finished stocks.

Interim progress for Scottish Cables (SA)

South African cable manufacturer Scottish Cables, which is 55 per cent owned by BICC (UK), increased pre-tax profits from £4.1m (£2.01m) to £5m in the six months to June 30 1982.

SHARE STAKES

Le Vallonnet Company — Atlantic Resources International have purchased a total of 59,000 ordinary shares of Mr. A. C. Webb which was formerly held in trust for him as a beneficial interest.

Hadson shares sink to 52p in opening dealing

Opening dealings in Hadson Petroleum International, the newest USM entrant, slipped 57m off the group's proposed capitalisation as shares sank to 52p from their offered price of 90p.

IBS falls £0.19m into red

FOR THE year to March 31, 1982, Immediate Business Systems (IBS), maker of a portable billing machine for public utilities, has recorded a pre-tax loss of £189,155, compared with a profit of £1,698 previously.

is now operational and is engaged in a concentrated marketing effort aimed at the U.S. utilities. In general the directors say there has been an encouraging amount of interest shown in the IBS System, which it is confidently anticipated can be turned into sales, given time.

Results due next week

Better than expected first quarter figures in May from Royal Dutch/Shell Group, which reports half-year results on Wednesday, prompted optimism among forecasts for the rest of the year.

SHAW & MARVIN

Shaw & Marvin's acquisitions of Bridge Textiles; Brandon Textiles and Starvogel have been presented by the company's shareholders at an extraordinary general meeting.

Rothmans makes good start in current year

A GOOD start has been made in the current year by Rothmans International, the tobacco, luxury consumer products and brewing company, for the year ended March 31 1982, group pre-tax profits rose by £34m to £105.2m, on higher sales of £2.77m, against £2.39m.

current year, says Sir David, "we have made a good start." Although much depends on the levels of taxation on tobacco imposed by the various governments in the markets where Rothmans operates, the chairman says "we face the future with a high degree of confidence."

Alliance Trust income up to £6m midway

Alliance Trust is recommending an increase of 25p per share for the half year to January 31 1982, against 3.25p last year, after lifting gross income before interest and expenses from £5.55m to £6m.

Dura Mill slips to £3,559

Pre-tax profits at Dura Mill in the year to March 31 1982 were down slightly from £3,818 to £3,559, on turnover up from £666,075 to £760,857. The directors are recommending an effectively unchanged net final dividend per share of 0.6p.

RECEIVERS FOR WALDMANS

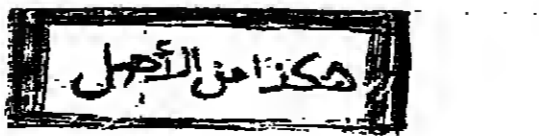
Mr Robert Bradshaw and Mr David Harrison of chartered accountants Deloitte Haskins & Sells have been appointed joint receivers and managers of Waldmans of Barley, the Liverpool-based drapers.

Table with columns: Company, Current payment, Dividend, Total last year. Includes Alliance Trust, Ault & Wiborg, Automotive Products, Dollands Photographic, Stirling Group, Dura Mill, Kenner, Surmah Valley Tea.

Table with columns: Company, Announcements, Dividend, Final, Int. Includes Allan (W. G.) & Sons (Tipton), Boardman (K. O.) International, Golder, Dale Electric International, Qandoo Stytes, Stevens Shipping Group, Ewrs New Northam, Gellera (L.J.), Stevens Shipping Holdings, Mega Trade Suppliers, Western Excelsior, Pico Holdings, Reading Smiths Ltd, Richard Knott Group, Restmor Group, Swella (J) Gordon Group, Scottish Electric, Viceroy, Vitor Products (Waltham), Williams (W.) & Sons (Holdings).

Table with columns: Company, Announcements, Dividend, Final, Int. Includes Bayers (Charles), Corp.

Table with columns: Dates, Dates, Dates, Dates. Includes Dates, Dates, Dates, Dates.



Companies and Markets

WORLD STOCK MARKETS

Dow up 4.19 at mid-session

NEW YORK

Table listing various stocks in the New York market, including ACF Industries, AMF, ARCO, ASA, and others.

Table listing various stocks in the New York market, including Columbia Gas, Combined Int, Combust. Eng., and others.

Table listing various stocks in the New York market, including GULF, Gulf Oil, Gulf Refining, and others.

Table listing various stocks in the New York market, including IBM, IBM Corp, IBM Business, and others.

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Table listing various stocks in the New York market, including IBM, IBM Corp, IBM Business, and others.

STOCK MARKET prices were higher in moderate trading at mid-session on Wall Street. This was in reaction to strength in the bond markets and a reassessment of the impact of the failure of a government securities trading company on Thursday.

The Dow Jones Industrial Average was up 4.19 to 781.11 at 1 p.m., while the NYSE All Common Index was 24 cents higher at 589.04. Advances led declines by more than six to five as volume fell to 317.8m shares, against 349.9m at 1 p.m. on Thursday.

Analysts say a bond market rally, especially in quality issues, is apparently carrying over into securities trading, where some Blue Chip issues are edging higher.

International Business Machines was up 1/4 to \$62. ATT was ahead 1/4 to \$81 and International Telephone and Telegraph gained 1/8 to \$23.

Analysts said the market may be continuing a technical rally, caused by an oversold condition that was interrupted on Thursday when Lombard-Wall Inc filed for Chapter 11 bankruptcy protection.

Chase Manhattan, which fell more than three points on the Lombard-Wall announcement, regained 1/2 to \$32 in active trading. The company has about \$32m of exposure with the government securities company.

Hildegard Zagorski, an analyst with Bache Halsey Stuart Shields, said the market had a "knee jerk" reaction to the bankruptcy filing on Thursday. Yesterday, investors were realizing that the impact of the failure is "not too great."

Utility Utilities strengthened, with HK Electric rising 25 cents to HK\$25 and Ches Light ending at HK\$12.00 ex-dividend against Thursday's HK\$11.30 close.

THE AMERICAN SE Market Closing prices for North America were not available for this edition.

Canada: Toronto stock exchange prices were firmer as the Composite Index gained 1.7 to 1,352.3 at mid-session on volume of 1.79m shares.

Nine of the 14 indices were higher, led by the Transportation Index up 15.3 to 1,750.3, and the Metals Index up 11.6 to 1,286.9. Leading the declines, Paper and Forestry stocks were off 3.0 to 1,221.0. Oil and Gas stocks fell 4.3 to 2,315.8.

Among active issues, Dume Petroleum fell 25 cents to CS\$50, Demter was off 1/2 to CS\$15, and the Jewellers' A fell 1/2 to CS\$5 and Dand Development fell 1/2 to CS\$135.

Hong Kong: Stocks closed higher but off best levels in a market lacking confidence. Initial gains mainly resulted from technical adjustments.

The early recovery was led by an overnight upturn in the price of Hong Kong shares quoted in London and the correction continued until countered by renewed selling pressure in the afternoon here.

Trading was active throughout the day, with the Hang Seng Index closing 27.98 higher at 984.34, after touching 1,000.65 earlier.

Hong Kong Telephone lost 10 cents to HK\$26.80 from an early high of HK\$26.80, despite reporting increased interim results.

With Utilities strengthened, with HK Electric rising 25 cents to HK\$25 and Ches Light ending at HK\$12.00 ex-dividend against Thursday's HK\$11.30 close.

THE AMERICAN SE Market Closing prices for North America were not available for this edition.

Germany: The weakness of DM shares in the aftermath of the AEG-Telefunken crisis pulled share prices lower in dull trading.

The Wall Street close also dominated by heavy selling of bank shares on Thursday, the Commerzbank Index fell in a 1982 low of 664.6, down 4.2. The major exception was AEG itself, where speculators pushed the price DM 120, down DM 3.40.

Dresdner Bank fell to a closing low of DM 120, down DM 3.40. Deutsche Bank hit DM 250, off DM 2, and Commerzbank fell DM 4.10 to DM 119.30, all at the lowest in more than two years.

Japan: The stock market led by Blue Chips edged a modest recovery from its recent sharp slump, with sentiment aided by the yen's steadier slip against the dollar and the slight fall in some U.S. interest rates overnight.

The Nikkei Dow Market Average recovered 47.46 to 6,827.89, after shedding 333.18 over the previous eight trading days. The Tokyo Stock Exchange Index added 3.29 to 515.32, but trading was slow on volume of 180m shares.

Computer-makers, Precisions and Light Electronics rose sharply, with Hitachi adding 2.4% to ¥70, but Consumer-related issues fell due to slow summer sales.

Major gainers included Toshiba, up ¥12 to ¥72, Fujitsu ¥22 to ¥72, Nippon Elec ¥26 to ¥77, Matsushita Elec ¥25 to ¥78, Canon ¥20 to ¥77, Fuji Photo ¥20 to ¥77, and TDK ¥20 to ¥77.

Electronics Y100 to ¥370, Steel, Shipyards and Autos made small gains. Supermarkets, Clothing Manufacturers and Department Stores were sold on slower sales because of declining personal spending, with Daiso losing ¥5 to ¥800. Consumer Credit companies continued to fall on fears of increasing competition from non-IFC insurance companies. Orient Finance shed ¥6 to ¥90.

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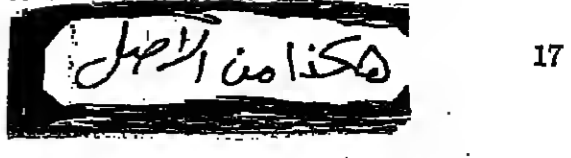
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Financial Times Saturday August 14 1982



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Companies and Markets

Dutch banks hit by debt provisions

BY WALTER ELLIS IN AMSTERDAM

NET EARNINGS at Amsterdam-Rotterdam Bank, the large Dutch bank, fell by 43.7 per cent during the first six months of this year, and a sharp reduction for 1982 as a whole is forecast. At the same time, its main rival, Algemene Bank Nederland, has seen earnings slip by 4.6 per cent.

Mining cuts leave Haggie profits flat

By Our Johannesburg Correspondent

HAGGIE, South Africa's leading steel wire and rope producer, has reported unchanged interim profits of R16.5m despite a 25.6 per cent rise in turnover to R192.8m.

A higher tax rate nullified an increase of 8.7 per cent in pre-tax profits to R18m for the six months ended June. The company declared an unchanged interim dividend of 20 cents a share out of earnings per share of 87 cents.

The company suffered from a marked fall in demand for industrial products from the country's mining industry. Mining companies, which accounts for 40 per cent of Haggie's business, have been cutting their capital spending programmes.

The company also operates in the construction and agricultural sectors which have suffered from the general decline in economic activity. The increases in both sales and pre-tax profit were partly attributable to the first-time consolidation of the accounts of Chloride Holdings, in which Haggie acquired a 50 per cent stake last October.

Market conditions are expected to deteriorate in the second half, but the board is hopeful that earnings and dividends for the full year will not be less than 1981's 196 cents a share.

for bad debts are blamed for the deterioration, with the situation at Amro particularly serious. Company bankruptcies in the Netherlands are at a record level. A total of 4,949 businesses were forced to close during the first seven months of this year, a rise of 23 per cent on 1981.

According to Amro, the volume of banking business developed satisfactorily during the half-year, with a consolidated balance sheet total of F1 113.5bn at end-June, up 11 per cent on a year ago. However, bad debt provisions

required F1 800m. Last year, a total of F1 475m was set aside in this way, including F1 160m in the first six months.

Amro expects the maintained gross profits (F1 885m) for 1982, but it foresees a continuing need to make large-scale provisions for bad debt and, in consequence, expects a substantial reduction in net earnings. ABN's profit for the six months before provisions and tax increased by 4.5 per cent to F1 529.7m. Its balance sheet total rose modestly to F1 126.9bn. Additions to the provision for general contingencies rose

Full year loss seen at Pioneer Electronic

By Our Financial Staff

PIONEER ELECTRONIC, Japan's largest maker of audio equipment, plunged into the red in the third quarter, mainly because of high inventory costs at its overseas subsidiaries. A consolidated net loss for the three months ended June of Y2.89bn (\$11m) compared with a net profit of Y3.46bn a year earlier. Sales fell 5.4 per cent to Y29.5bn (\$120.5m).

Questionable dealings by Citicorp settled

BY OUR NEW YORK STAFF

CITICORP, the large New York bank, has paid back taxes and penalties in Switzerland and France amounting to \$6.9m to settle questionable foreign exchange dealings in the 1970's. In addition, the bank will pay about \$3.7m to West Germany for the same reason.

These payments were disclosed by the bank in documents filed in a New York court where a shareholder is suing the bank's directors and some officers for recovery of damages which he claims Citicorp sustained as a result of these currency transactions. The payments arose out of

Mutuelles Unies plans bid for Drouot

By David White in Paris

MUTUELLES UNIES, France's 12th largest insurance group, is poised to take over the controlling role in its larger competitor Drouot, following an abortive takeover for Drouot by the Bouygues construction company. M. André Terren, the Drouot chairman who had favoured the Bouygues bid as a means of keeping Drouot independent, was replaced yesterday by the chairman of Mutuelles Unies, M. Claude Béhar. Mutuelles Unies is, meanwhile, in the process of building up an important stake in Drouot through a complex web of holding companies.

Gencor chairman 'asked to quit'

BY BERNARD SIMON IN JOHANNESBURG

THE DISPUTE over control of General Mining Union Corporation, South Africa's second largest mining house, has taken a new twist with reports that Dr Wim de Villiers, its chairman, was asked to resign less than two months ago by Sanlam, the financial institution which owns more than half the shares in Gencor's holding company, Federale Mynbou.

Dr de Villiers is reported to have disclosed the request at a

baated meeting of more than 80 Gencor executives earlier this week attended by two senior Sanlam officials. The Gencor executives are said to have strongly backed Dr de Villiers and to have condemned Sanlam's efforts to unseat him.

Dr Fred du Plessis, Sanlam's managing director, told a press conference in mid-June that the group had full confidence in Dr de Villiers.

Dr de Villiers' strongest defender has been Dr Anton Rupert, head of the Rembrandt liquor and tobacco group, which has a 30 per cent interest in Fedym.

Rembrandt has contested Sanlam's efforts to appoint additional directors to Fedym, fearing that Sanlam will then be able to expel Dr de Villiers' departure, and to have a free hand in the appointment of his successor.

Strong earnings advance for Hindustan Lever

BY R. C. MURTHY IN BOMBAY

HINDUSTAN LEVER, India's third largest private sector company ranked by sales, has reported a 28 per cent increase in pre-tax profits for 1981 to Rs 412.2m (\$43m) on a 19 per cent gain in sales to Rs 4.9bn (\$500m).

Net profit was Rs 207.2m compared with Rs 165.3m a year earlier and the company declared a final dividend of 12 per cent making a total of 25 per cent for the year. In May, the company won a long battle for Government approval to retain a majority foreign shareholder. Unilever of Europe has a 51 per cent stake, reduced from 66 per cent in the late 1970s.

sales come from its traditional products such as soaps and detergents. Diversification in recent years has taken it into chemicals and food (roughly 20 per cent of sales each). The balance is a wide range of consumer goods.

The company has isolated a new detergent active ingredient from renewable raw materials and the process is being scaled up for commercial production. It has also achieved a breakthrough in developing a plant growth nutrient whose field trials have shown that it increases the crop yield three to five times.

The company feels that the new compound has good commercial value.

Growth slows at United Overseas Bank

By Our Singapore Correspondent

UNITED OVERSEAS BANK, one of Singapore's big four, has managed an increase in group first-half net profits of only 4.1 per cent to S\$65.5m (US\$31m) in sharp contrast to the 65 per cent growth rate a year earlier. The bank gave no reason for the significant slowdown.

However, net profit of the parent bank itself expanded by 32.4 per cent to S\$46.4m. It thus appears that much of the slowdown was accounted for by the group's subsidiaries. The group has declared an unchanged interim gross dividend of 3 per cent. One of its subsidiaries, United Overseas Insurance however has reported a sharp rise of 49.2 per cent in net tax profits

Major Swiss food groups to unveil merger plan

BY JOHN WICKS IN ZURICH

EUROPE'S leading coffee and chocolate companies, the Swiss-based Jacobs and Interfood, are considering a merger. The companies expect to issue a joint statement early next month. They plan a new undertaking to be known as Jacobs-Interfood, subject to shareholder agreement. According to a communiqué issued yesterday, the new group would have annual sales of about SFr 5bn (\$2.35bn) and net profits of nearly SFr 100m, making it one of the biggest food companies in Europe.

Last year, Jacobs recorded annual sales of SFr 2.1bn and net earnings of SFr 70.2m. Almost 90 per cent of sales were accounted for by roasted coffee. Major markets are Germany, with 52 per cent, and France, with 21 per cent of turnover. Jacobs is owned almost wholly by members of the Jacobs family. However, in June Mr Klaus Jacobs, chief executive, said there were plans to offer about 10 per cent of capital—currently totaling SFr 200m—for public subscription.

Nakamichi in bankruptcy step

By Our Tokyo Correspondent

NAKAMICHI, a Japanese trading company specialising in construction machinery, has filed for reorganisation under the country's bankruptcy laws, AP-DJ reports from Tokyo. The company has been operating in the red for the past two years because of the recession in housing and public works construction. Nakamichi owes Y25bn (\$107m), making it the largest corporate bankruptcy so far this year in Japan. Its sales for the year ended March were Y26.3bn, down from Y30.14bn a year earlier and Y33.42bn in the year ended March, 1980.

COMMODITIES AND AGRICULTURE

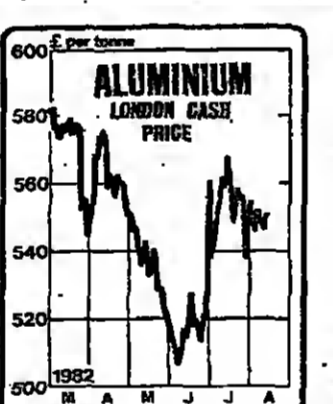
U.S. interest rate fears hit copper

BY OUR COMMODITIES STAFF

PESSIMISM ABOUT U.S. intentions with regard to both interest rates and the general stock market were the main factors behind the London copper market this week. At the start of the week U.S. money supply figures were taken as suggesting an increase in interest rates was possible rather than the fall that industry and traders were hoping for for some time. Heavy speculation selling resulted in a sharp fall in prices with copper on Wednesday hitting the week's low at \$208.50 per tonne, down 57¢ on last Friday's close.

Producer price reductions, down 4 cents to 80 cents per pound by most, tended to confirm this general weakening. On Thursday a vote by the U.S. Senate trying to Administer to buy copper for the stockpile led to a rally. This issue is to go before the Congress next week. However, Thursday's rise was short-lived and yesterday lack of news on the physical purchases at \$25 per tonne, \$30.50 down on last Friday's close. Yesterday's reports that Malaysia, Thailand and Indonesia have agreed to postpone a meeting of the forum of a Tin Producers Association did little to help bolster tin prices.

On Monday the rising trend of prices over the previous two



BASE METALS

Amalgamated Metal Trading reported that in the morning higher grade three months copper traded at \$235.00, 35.00, 32.00, 32.00, 32.00, 32.00. Cathodes: Cash 1796.00; three months 1813.00, 1810, 1810, 1810, 1810, 1810. Higher grade three months 1810.00, 1810, 1810, 1810, 1810, 1810. Afternoon: Higher grade three months 1810.00, 1810, 1810, 1810, 1810, 1810. Three months 1810.00, 1810, 1810, 1810, 1810, 1810. Turnover: 23,400 tonnes.

Table with columns for High Grade, Low Grade, and other metal prices. Includes rows for Copper, Zinc, and Lead.

RUBBER

The London physical market opened slightly weaker and attracted little interest throughout the day. Closing prices were: 1000, 1000, 1000. The market was quiet and speculative buying and technical selling were limited. The market was quiet and speculative buying and technical selling were limited.

Table with columns for Rubber prices. Includes rows for different grades of rubber.

COFFEE

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Table with columns for Coffee prices. Includes rows for different grades of coffee.

SOYABEAN MEAL

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Table with columns for Soyabean Meal prices. Includes rows for different grades of meal.

AMERICAN MARKETS

NEW YORK, August 13. Precious metals and copper sold on the close of the dollar strengthened against European currencies. Gold and silver prices were steady. The market was quiet and speculative buying and technical selling were limited.

Table with columns for American Market prices. Includes rows for Gold, Silver, and other commodities.

WEEKLY PRICE CHANGES

Large table showing weekly price changes for various commodities. Columns include Commodity, Last week, Change, and 1982 prices.

INDICES

Table showing financial indices for August 13, 1982. Includes rows for Nikkei, Moody's, Dow Jones, and others.

REUTERS

Table showing Reuters market data. Includes rows for various commodities and their prices.

MOODY'S

Table showing Moody's market data. Includes rows for various commodities and their prices.

DOJONES

Table showing Dow Jones market data. Includes rows for various commodities and their prices.

SILVER

Table showing Silver market data. Includes rows for various grades of silver and their prices.

LONDON OIL SPOT PRICES

Table showing London Oil Spot Prices. Includes rows for different grades of oil and their prices.

Unquoted: (a) Midweek; (b) October; (c) Nov.; (d) August; (e) Sept.; (f) August; (g) August; (h) August; (i) August; (j) August; (k) August; (l) August; (m) August; (n) August; (o) August; (p) August; (q) August; (r) August; (s) August; (t) August; (u) August; (v) August; (w) August; (x) August; (y) August; (z) August.

Stock Exchange Dealings

Details of business done above have been taken with consent from the London Stock Exchange and should not be reproduced without permission.

Details relate to those securities not included in the FT Share Information Service.

The prices are those at which business was done in the 24 hours up to 3.30 pm on Thursday and settled through the Stock Exchange settlement system; they are not in order of execution but in ascending order which denotes the day's highest and lowest trading prices.

For those securities in which no business was recorded in Thursday's Official List, the latest recorded business in the four previous days is given with the relevant price.

Business in 24-hour special prices, including those of the previous day, is given with non-member or executed in overseas markets.

LONDON TRADED OPTIONS

August 13 Total Contracts 1773 Calls 856 Puts 417

Option	Exercise price	Closing offer	Vol.	Open offer	Vol.	Close	Equity close
BP 10c	200	18	5	14	1	24	820
BP 15c	200	18	5	14	1	24	820
BP 20c	200	18	5	14	1	24	820
BP 25c	200	18	5	14	1	24	820
BP 30c	200	18	5	14	1	24	820
BP 35c	200	18	5	14	1	24	820
BP 40c	200	18	5	14	1	24	820
BP 45c	200	18	5	14	1	24	820
BP 50c	200	18	5	14	1	24	820
BP 55c	200	18	5	14	1	24	820
BP 60c	200	18	5	14	1	24	820
BP 65c	200	18	5	14	1	24	820
BP 70c	200	18	5	14	1	24	820
BP 75c	200	18	5	14	1	24	820
BP 80c	200	18	5	14	1	24	820
BP 85c	200	18	5	14	1	24	820
BP 90c	200	18	5	14	1	24	820
BP 95c	200	18	5	14	1	24	820
BP 100c	200	18	5	14	1	24	820
BP 105c	200	18	5	14	1	24	820
BP 110c	200	18	5	14	1	24	820
BP 115c	200	18	5	14	1	24	820
BP 120c	200	18	5	14	1	24	820
BP 125c	200	18	5	14	1	24	820
BP 130c	200	18	5	14	1	24	820
BP 135c	200	18	5	14	1	24	820
BP 140c	200	18	5	14	1	24	820
BP 145c	200	18	5	14	1	24	820
BP 150c	200	18	5	14	1	24	820
BP 155c	200	18	5	14	1	24	820
BP 160c	200	18	5	14	1	24	820
BP 165c	200	18	5	14	1	24	820
BP 170c	200	18	5	14	1	24	820
BP 175c	200	18	5	14	1	24	820
BP 180c	200	18	5	14	1	24	820
BP 185c	200	18	5	14	1	24	820
BP 190c	200	18	5	14	1	24	820
BP 195c	200	18	5	14	1	24	820
BP 200c	200	18	5	14	1	24	820
BP 205c	200	18	5	14	1	24	820
BP 210c	200	18	5	14	1	24	820
BP 215c	200	18	5	14	1	24	820
BP 220c	200	18	5	14	1	24	820
BP 225c	200	18	5	14	1	24	820
BP 230c	200	18	5	14	1	24	820
BP 235c	200	18	5	14	1	24	820
BP 240c	200	18	5	14	1	24	820
BP 245c	200	18	5	14	1	24	820
BP 250c	200	18	5	14	1	24	820
BP 255c	200	18	5	14	1	24	820
BP 260c	200	18	5	14	1	24	820
BP 265c	200	18	5	14	1	24	820
BP 270c	200	18	5	14	1	24	820
BP 275c	200	18	5	14	1	24	820
BP 280c	200	18	5	14	1	24	820
BP 285c	200	18	5	14	1	24	820
BP 290c	200	18	5	14	1	24	820
BP 295c	200	18	5	14	1	24	820
BP 300c	200	18	5	14	1	24	820
BP 305c	200	18	5	14	1	24	820
BP 310c	200	18	5	14	1	24	820
BP 315c	200	18	5	14	1	24	820
BP 320c	200	18	5	14	1	24	820
BP 325c	200	18	5	14	1	24	820
BP 330c	200	18	5	14	1	24	820
BP 335c	200	18	5	14	1	24	820
BP 340c	200	18	5	14	1	24	820
BP 345c	200	18	5	14	1	24	820
BP 350c	200	18	5	14	1	24	820
BP 355c	200	18	5	14	1	24	820
BP 360c	200	18	5	14	1	24	820
BP 365c	200	18	5	14	1	24	820
BP 370c	200	18	5	14	1	24	820
BP 375c	200	18	5	14	1	24	820
BP 380c	200	18	5	14	1	24	820
BP 385c	200	18	5	14	1	24	820
BP 390c	200	18	5	14	1	24	820
BP 395c	200	18	5	14	1	24	820
BP 400c	200	18	5	14	1	24	820
BP 405c	200	18	5	14	1	24	820
BP 410c	200	18	5	14	1	24	820
BP 415c	200	18	5	14	1	24	820
BP 420c	200	18	5	14	1	24	820
BP 425c	200	18	5	14	1	24	820
BP 430c	200	18	5	14	1	24	820
BP 435c	200	18	5	14	1	24	820
BP 440c	200	18	5	14	1	24	820
BP 445c	200	18	5	14	1	24	820
BP 450c	200	18	5	14	1	24	820
BP 455c	200	18	5	14	1	24	820
BP 460c	200	18	5	14	1	24	820
BP 465c	200	18	5	14	1	24	820
BP 470c	200	18	5	14	1	24	820
BP 475c	200	18	5	14	1	24	820
BP 480c	200	18	5	14	1	24	820
BP 485c	200	18	5	14	1	24	820
BP 490c	200	18	5	14	1	24	820
BP 495c	200	18	5	14	1	24	820
BP 500c	200	18	5	14	1	24	820
BP 505c	200	18	5	14	1	24	820
BP 510c	200	18	5	14	1	24	820
BP 515c	200	18	5	14	1	24	820
BP 520c	200	18	5	14	1	24	820
BP 525c	200	18	5	14	1	24	820
BP 530c	200	18	5	14	1	24	820
BP 535c	200	18	5	14	1	24	820
BP 540c	200	18	5	14	1	24	820
BP 545c	200	18	5	14	1	24	820
BP 550c	200	18	5	14	1	24	820
BP 555c	200	18	5	14	1	24	820
BP 560c	200	18	5	14	1	24	820
BP 565c	200	18	5	14	1	24	820
BP 570c	200	18	5	14	1	24	820
BP 575c	200	18	5	14	1	24	820
BP 580c	200	18	5	14	1	24	820
BP 585c	200	18	5	14	1	24	820
BP 590c	200	18	5	14	1	24	820
BP 595c	200	18	5	14	1	24	820
BP 600c	200	18	5	14	1	24	820
BP 605c	200	18	5	14	1	24	820
BP 610c	200	18	5	14	1	24	820
BP 615c	200	18	5	14	1	24	820
BP 620c	200	18	5	14	1	24	820
BP 625c	200	18	5	14	1	24	820
BP 630c	200	18	5	14	1	24	820
BP 635c	200	18	5	14	1	24	820
BP 640c	200	18	5	14	1	24	820
BP 645c	200	18	5	14	1	24	820
BP 650c	200	18	5	14	1	24	820
BP 655c	200	18	5	14	1	24	820
BP 660c	200	18	5	14	1	24	820
BP 665c	200	18	5	14	1	24	820
BP 670c	200	18	5	14	1	24	820
BP 675c	200	18	5	14	1	24	820
BP 680c	200	18	5	14	1	24	820
BP 685c	200	18	5	14	1	24	820
BP 690c	200	18	5	14	1	24	820
BP 695c	200	18	5	14	1	24	820
BP 700c	200	18	5	14	1	24	820
BP 705c	200	18	5	14	1	24	820
BP 710c	200	18	5	14	1	24	820
BP 715c	200	18	5	14	1	24	820
BP 720c	200	18	5	14	1	24	820
BP 725c	200	18	5	14	1	24	820
BP 730c	200	18	5	14	1	24	820
BP 735c	200	18	5	14	1	24	820
BP 740c	200	18	5	14	1	24	820
BP 745c	200	18	5	14	1	24	820
BP 750c	200	18	5	14	1	24	820
BP 755c	200	18	5	14	1	24	820
BP 760c	200	18	5	14	1	24	820
BP 765c	200	18	5	14	1	24	820
BP 770c	200	18	5	14	1	24	820
BP 775c	200	18	5	14	1	24	820
BP 780c	200	18	5	14	1	24	820
BP 785c	200	18	5	14	1	24	820
BP 790c	200	18	5	14	1	24	820
BP 795c	200	18	5	14	1	24	820
BP 800c	200	18	5	14	1	24	820
BP 805c	200	18					

FT UNIT TRUST INFORMATION SERVICE

Table of financial data including various stock prices and market indicators.

McCarthy Stock 200 197
McCarthy Stock 200 197
McCarthy Stock 200 197

Application granted for specific
Application granted for specific
Application granted for specific

Application granted for specific
Application granted for specific
Application granted for specific

AUTHORISED TRUSTS

Table listing various authorized trusts and their details, including names, managers, and performance metrics.

UNLISTED SECURITIES
Market
List of unlisted securities and their market status.

Barbans marked in securities
Barbans marked in securities
Barbans marked in securities

Dealings for approved companies
Dealings for approved companies
Dealings for approved companies

Dealings for approved companies
Dealings for approved companies
Dealings for approved companies

MONEY MARKETS

UK clearing bank base lending
UK clearing bank base lending
UK clearing bank base lending

UK clearing bank base lending
UK clearing bank base lending
UK clearing bank base lending

UK clearing bank base lending
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UK clearing bank base lending

UK clearing bank base lending
UK clearing bank base lending
UK clearing bank base lending

CURRENCIES

Table showing currency exchange rates for various international markets.

EXCHANGE CROSS RATES

Table of exchange cross rates for major currencies.

EURO-CURRENCY INTEREST RATES

Table of Euro-currency interest rates for different terms.

FT LONDON INTERBANK FIXING

Table of FT London interbank fixing rates for various currencies.

LONDON MONEY RATES

Table of London money rates for different deposit terms.

CURRENCY MOVEMENTS

Table showing currency movements and changes in exchange rates.

OTHER CURRENCIES

Table of other currency rates for various international markets.

EMS EUROPEAN CURRENCY UNIT RATES

Table of EMS European Currency Unit rates.

U.K. CONVERTIBLE STOCK 14/8/82

Table of U.K. convertible stock prices and details.

NOTES

Notes section providing additional information and commentary.

NOTES

Notes section providing additional information and commentary.

Main table of FT Unit Trust Information Service, listing numerous unit trusts with their names, managers, and performance data.

Additional notes and disclaimers at the bottom of the page.

FINANCIAL TIMES STOCK INDICES

Table of stock indices for August 13, 1982, including Government Secs, Fixed Interest, Industrial Ord., and Gold Mines.

HIGHS AND LOWS

Table showing high and low prices for various stock categories like Govt. Secs, Fixed Int., and Industrial Ord.

LEADERS AND LAGGARDS

Percentage changes since December 31 1981 based on Thursday August 12 1982

Table listing top performing (Leaders) and bottom performing (Laggards) stocks and sectors.

OPTIONS

Text providing information about options trading, including first, last, and settlement dates.

RISES AND FALLS YESTERDAY

Table comparing stock price movements (Rises and Falls) from yesterday to the week.

NEW HIGHS AND LOWS FOR 1982

Table listing new high and low price points for various stocks in 1982.

THURSDAY'S ACTIVE STOCKS

Table of active stocks on Thursday, showing price changes and volume.

5-DAY ACTIVE STOCKS

Table of active stocks over a five-day period, including price and volume data.

ACTIVE STOCKS

Table of active stocks with closing prices and daily changes.

LONDON STOCK EXCHANGE

Lower interest rates convictions remain strong and unofficial tap stock exhausted as Gilts surge on

Account Dealing Dates Outlook

First Declared Last Account Dealings Dates

Account Dealing Dates Outlook. Slightly easier UK and U.S. short-term interest rates yesterday further strengthened London stock market optimism.

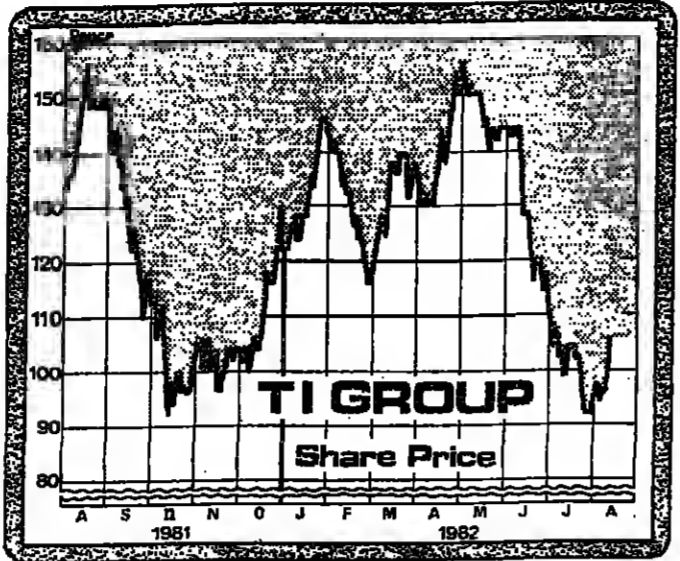
Longer-dated Gilts were again the most impressive during the day, following the absence of new Government funding at the official close, quotations continued to rise in the late trade to end the day on a high note.

The current dearth of equity investment enthusiasm mirroring recent gloom about the economic situation, which was emphasised by Thursday's grim industrial production figures for June.

Interest in the extended trading account started on Monday was virtually nonexistent.

Wall Street's current indecision remained a deterrent to prospective buyers but, leading shares, as measured by the FT Industrial Ordinary share index, picked up after the close.

The index closed unchanged at 544.0 after showing a loss of around two points at the opening; this measure was down 3.0 on the



TI GROUP Share Price

balance at 423p following an article in a trade journal suggesting that the company may meet competition from Continental imports. Elsewhere in the Building sector, occasional support left J. Carr 4 to the good at 101p, while Derek Crouch firm 3 to 83p on the open market.

Ward White up again

Stores finished a generally disappointing week on a quiet Friday. The leaders closed with small gains across the board with Hm of Fraser 2 up at 152p.

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries.

RECENT ISSUES

EQUITIES

Table of recent issues in equities, listing company names, share prices, and other details.

FIXED INTEREST STOCKS

"RIGHTS" OFFERS

5-DAY ACTIVE STOCKS

ACTIVE STOCKS

Table of active stocks with closing prices and daily changes.

THE U.S. a heavy s call for necessary, contain C Latin Am

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July 10 1982

INSURANCES

Table listing various insurance companies and their products, including Life Assurance Co. of Pennsylvania, Standard Life Assurance Company, and others.

INSURANCE & OVERSEAS MANAGED FUNDS

Main table listing insurance and overseas managed funds, including Life Assur. Co. of Pennsylvania, Standard Life Assurance Company, and various international investment funds.

OFFSHORE AND OVERSEAS

Table listing offshore and overseas managed funds, including various international investment funds and their performance metrics.

NOTES: Prices are in pence unless otherwise indicated and values are based on the previous day's closing prices.

GILTS We think of nothing else

Allen Harvey & Ross Gilt Trust

Allen Harvey & Ross Ltd Trust Managers Ltd

45 Cornhill London EC3V 3PR. Telephone: 01 623 0314

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

Table listing various British funds with columns for name, price, and other details.

Five to Fifteen Years

Table listing funds with 5 to 15 year maturities.

Over Fifteen Years

Table listing funds with over 15 year maturities.

Undated

Table listing undated funds.

Index-Linked & Variable Rate

Table listing index-linked and variable rate funds.

INT. BANK AND O'SEAS GOVT. STERLING ISSUES

Table listing international bank and overseas government sterling issues.

CORPORATION LOANS

Table listing various corporation loans.

COMMONWEALTH AND AFRICAN LOANS

Table listing commonwealth and African loans.

LOANS

Table listing other types of loans.

BANKS AND HIRE PURCHASE

Table listing banks and hire purchase services.

A FINANCIAL TIMES SURVEY

INTERNATIONAL FUND MANAGEMENT

1 OCTOBER 1982

The Financial Times is planning to publish a survey on International Fund Management in its issue of 1 OCTOBER 1982.

Introduction: There have been great strides in the field of international fund management...

Editorial coverage will also include:

- Equities, Bonds, Property, Currencies, Venture Capital, The Pacific Basin, Regulation, Performance Measurement, Securities Houses, Fund Managers

Order Date: September 3 1982 Copy Date: September 17 1982

For further information and advertisement rates please contact: Guy Mainwaring-Burton

Financial Times, Bracken House, 10 Cannon Street, London EC4A 4BY

Telephone: 01-248 8000 ex 3606 Telex: 885033 FINTMG G

The site-contract and publication dates of surveys in the Financial Times are subject to change at the discretion of the Editor.

FT SHARE INFORMATION SERVICE

LOANS—Continued

Table listing various loans with columns for name, price, and other details.

Financial

Table listing financial-related loans.

Building Societies

Table listing building societies.

FOREIGN BONDS & RAILS

Table listing foreign bonds and rails.

AMERICANS

Table listing American stocks and bonds.

BEERS, WINES AND SPIRITS

Table listing beer, wine, and spirit companies.

BUILDING INDUSTRY, TIMBER AND ROADS

Table listing building, timber, and road companies.

CANADIANS

Table listing Canadian companies.

BANKS & H.P.—Cont.

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Table listing banks and hire purchase services.

Financial

Table listing financial-related banks and services.

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BANKS & H.P.—Cont.

CHEMICALS, PLASTICS—Cont.

Table listing chemical and plastic companies.

Financial

Table listing financial-related chemical and plastic companies.

Building Societies

Table listing building societies.

FOREIGN BONDS & RAILS

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AMERICANS

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CANADIANS

Table listing Canadian companies.

BANKS & H.P.—Cont.

ELECTRICALS—Continued.

Table listing electrical companies.

Financial

Table listing financial-related electrical companies.

Building Societies

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FOREIGN BONDS & RAILS

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CANADIANS

Table listing Canadian companies.

BANKS & H.P.—Cont.

ENGINEERING MACHINE TOOLS

Table listing engineering and machine tool companies.

Financial

Table listing financial-related engineering and machine tool companies.

Building Societies

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FOREIGN BONDS & RAILS

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BANKS & H.P.—Cont.

FOOD, GROCERIES—Cont.

Table listing food and grocery companies.

Financial

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BANKS & H.P.—Cont.

HOTELS AND CATERERS

Table listing hotels and caterers.

INDUSTRIALS (Miscel)

Table listing various industrial companies.

FOOD, GROCERIES, ETC.

Table listing food, grocery, and other companies.

Financial

Table listing financial-related food, grocery, and other companies.

Building Societies

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Building Societies

Table listing building societies.

FOREIGN BONDS & RAILS

Table listing foreign bonds and rails.

AMERICANS

Table listing American companies.

BEERS, WINES AND SPIRITS

Table listing beer, wine, and spirit companies.

BUILDING INDUSTRY, TIMBER AND ROADS

Table listing building, timber, and road companies.

CANADIANS

Table listing Canadian companies.

INDUSTRIALS—Continued

Table of industrial stocks including Johnson & Johnson, Amgen, and various pharmaceutical companies.

LEISURE—Continued

Table of leisure and consumer goods stocks including Leisure, Leisure, and Leisure.

PROPERTY—Continued

Table of property and real estate investment trusts including Property, Property, and Property.

INVESTMENT TRUSTS—Cont.

Table of investment trusts including Investment, Investment, and Investment.

OIL AND GAS—Continued

Table of oil and gas stocks including Oil, Oil, and Oil.



MINES—Continued

Table of mining stocks including Central African, Australian, and Tins.

MOTORS, AIRCRAFT TRADES

Table of motor and aircraft trade stocks including Motors, Aircraft, and Motors.

SHIPPING

Table of shipping stocks including Shipping, Shipping, and Shipping.

SHOE AND LEATHER

Table of shoe and leather stocks including Shoe, Shoe, and Shoe.

SOUTH AFRICANS

Table of South African stocks including South, South, and South.

OVERSEAS TRADERS

Table of overseas trader stocks including Overseas, Overseas, and Overseas.

MISCELLANEOUS

Table of miscellaneous stocks including Miscellaneous, Miscellaneous, and Miscellaneous.

NEWSPAPERS, PUBLISHERS

Table of newspaper and publisher stocks including Newspapers, Publishers, and Newspapers.

PAPER, PRINTING ADVERTISING

Table of paper, printing, and advertising stocks including Paper, Printing, and Advertising.

TEXTILES

Table of textile stocks including Textiles, Textiles, and Textiles.

TOBACCO

Table of tobacco stocks including Tobacco, Tobacco, and Tobacco.

PLANTATIONS

Table of plantation stocks including Plantations, Plantations, and Plantations.

REGIONAL AND IRISH STOCKS

Table of regional and Irish stocks including Regional, Irish, and Regional.

INSURANCE

Table of insurance stocks including Insurance, Insurance, and Insurance.

PROPERTY

Table of property stocks including Property, Property, and Property.

TRUSTS, FINANCE, LAND

Table of trusts, finance, and land stocks including Trusts, Finance, and Land.

OIL AND GAS

Table of oil and gas stocks including Oil, Oil, and Oil.

DIAMOND AND PLATINUM

Table of diamond and platinum stocks including Diamond, Platinum, and Diamond.

OPTIONS

Table of options stocks including Options, Options, and Options.

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MAN IN THE NEWS

America's 'secret weapon'

BY ANATOLE KALETSKY

IF THERE is one man in the world who can snatch peace from the turmoil and bloodshed in Lebanon, it is Mr Philip Habib. Four times in as many years, the White House has pleaded with him to return from retirement and find some elusive common ground between the warring factions in Lebanon. Despite the heart condition which forced him to retire in 1978 from his position as Under-Secretary of State for Political Affairs, the man who has been called "America's secret weapon in the Middle East" has never refused to heed the President's call and has never failed to create at least a shaky peace.

When Mr Habib agrees to go on a mission, the sighs of relief at the White House are almost audible. For amid the disasters and exasperations of American diplomacy in the Middle East,



Mr Philip Habib

the very existence of a man with Mr Habib's unique background and qualifications has been a miracle of serendipity for Presidents Ronald Reagan and Jimmy Carter before him. His family background is in itself a strong qualification for his Middle East peace role. The son of a Lebanese catholic, Mr Habib was born 62 years ago in a thoroughly Jewish neighbourhood in Brooklyn. As a child, he used to help his orthodox Jewish neighbours by being the Gentile who would turn the lights on and off on the sabbath, when Jews are instructed by the Torah not to kindle or extinguish fire.

Most of his experience at the State Department since he joined it in 1948, however, has been in the Far East. Between 1969 and 1972 he was the senior career diplomat in the Vietnam peace negotiations in Paris. These talks may have achieved little — one of Mr Habib's first jobs was as "the carpenter" who bagged for months with the Vietnamese over the size and share of the negotiating table. But they enabled him to establish his negotiating style — a combination of infinite patience, with boldness and even occasional rudeness in driving his points home when he judges the moment to strike is ripe.

"The president loves Phil. trusts him, has confidence in him and just plain enjoys his company," one White House official recently divulged. Whether or not President Reagan's emotions are really as extravagant as this, his actions speak for themselves.

When it was disclosed last month that Mr Habib was a paid consultant for the Bechtel Corporation (which has strong Arab connections) and also once employed Mr George Shultz, the Secretary of State and Caspar Weinberger, the Defence Secretary), the President flew into a rage at any imputations of conflict of interest or impropriety about his peace envoy. Within two days the "controversy" over Mr Habib's consultancy stopped as abruptly as it had emerged.

Mr Habib's personality, which still has traces of the brashness and argumentativeness of his Brooklyn childhood, may account for part of the trust which he enjoys from many politicians. Although he has a doctorate in economics from Berkeley, he has none of the intellectual pretensions of a Henry Kissinger or Jeane Kirkpatrick. But there is another, sadder, reason for the almost universal respect and admiration for Mr Habib. He has literally been risking his life, as much as any soldier, in accepting successive missions in the Middle East. After four heart attacks he travels everywhere with a complete set of medical records and medications, in case of an emergency. There can be no doubt that he and his family are as eager as the rest of the world to see him return to peaceful retirement in Florida when his services are no longer required in Beirut.

SHARON 'REINED IN' AS BEIRUT PEACE TALKS CONTINUE

Israel maintains ceasefire

BY PATRICK COBURN IN JERUSALEM

ISRAELI FORCES maintained their ceasefire in Beirut yesterday, after the bitter Cabinet dispute in Jerusalem between General Ariel Sharon, the Defence Minister, and other ministers over the bombardment of the Lebanese capital. Officials in Israel said they were still expecting the Palestine Liberation Organisation (PLO) to withdraw from Beirut and emphasised that they would scrupulously keep the ceasefire unless the PLO fired at their troops.

Officials also said that the mission of Mr Philip Habib, the U.S. envoy, had full Israeli support, but they admitted that the U.S. definition of a ceasefire violation might differ from their own.

An army spokesman said that there were skirmishes between

Israeli and PLO units inside eastern Lebanon yesterday, but Israel suffered no casualties. In Jerusalem Gen. Sharon's supporters in the Defence Ministry sharply rebuffed suggestions that he should resign for exceeding his authority by ordering bombardment of Beirut this week. But a senior official close to Mr Menabem Begin, the Israeli Prime Minister, was quoted as saying that Gen. Sharon's position had become shaky.

"Ministers realise how close Sharon was to sinking the Habib mission," he said. "They know it is unsafe to rely on Sharon any more in negotiations."

Gen Sharon's freedom to order into action the Israeli army in Lebanon without consultation with Mr Begin or the Cabinet, has clearly been cur-

tailed. No further attacks will be launched against Beirut without the agreement of the Prime Minister. On the diplomatic front, Israel is still waiting for a full list of PLO personnel to be evacuated from Beirut, the Foreign Ministry spokesman said yesterday. Negotiations also continue on the timing of the arrival of a multinational supervisory force and the departure of the PLO.

In Beirut, Mr Habib resumed his negotiations with Lebanese leaders yesterday. The talks were stopped on Thursday during an 11-hour Israeli air raid. Mr Shafiq al-Wazzan, the Lebanese Prime Minister, having said he could not continue under the pressure of blackmail.

Mr Wazzan was quoted today

as saying that Mr Habib no has enough elements to be able to complete the negotiations. The Palestinian guerrillas are all expected to leave by 1st for Syria, whence some will go to various other Arab countries, according to an Israeli official in Jerusalem. But Lebanon state radio quoted informed political sources as saying a first batch of PLO fighters would leave by sea for Jordanian port of Aqaba at dawn on Thursday.

Israel officials said to main sticking points at the talks were Syria's reluctance to remove its troops from Beirut and to give an assurance that the guerrillas who stayed in Syria would not appear late in Syrian-controlled territory in eastern Lebanon.

Divided Lebanon, Page

Health unions determined to press on with action

BY DAVID GOODHART, LABOUR STAFF

SELECTIVE strikes over the next fortnight in key areas of the Health Service are planned to reinforce this week's five days of action, which union leaders yesterday claimed as a success.

The unions are calling for a "rolling programme of action" at a local level. At the same time they are asking other unions to step up support for the health workers' 12 per cent pay claim.

However, confusion surrounding this week's strike action by Fleet Street electricians produced a more cautious attitude towards support from those not directly involved in the dispute.

Mr Albert Spanswick, chairman of the TUC Health Services Committee, and general secretary of the Confederation of Health Service Employees, said that each offer of solidarity action would be looked at on its merits. He predicts increasing disruption by health workers.

The committee yesterday stopped short of backing the National Union of Public Employees' repeated call for an all-out strike for fear of alienating public opinion, which

it still believes is strongly behind the health workers. A decision on whether to escalate the action will be taken at the next full meeting of the TUC committee on August 26.

In the next fortnight workers in key areas of hospitals, such as linen, sterile supplies and catering, will continue selective strike action. Union leaders claimed yesterday that such moves had reduced most of the country's 2,600 hospitals to a permanent accident and emergency level only.

Mr Norman Fowler, Social Services Secretary, said only 18 of England's 192 health districts were so affected.

"The message of this dispute is that most staff have continued to work, but that considerable damage to patient care has been done in some areas by a minority."

The Department of Health and Social Security conceded that pressure had increased during the week but it claimed that only about 15 per cent of hospitals had been reduced to accident and emergency. About 30 per cent had seen no action.

In Rotherham and Southamp-

ton, however, there had again been a breakdown in the provision of proper emergency cover.

The unions repeated their claim that in Scotland, Northern Ireland, Yorkshire and the Northern regions there was only accident and emergency cover. The action was more patchy in London, the South West, East Anglia and the West Midlands, they said.

Solidarity strike action has been less extensive this week than in the three days of action staged in July. Nevertheless, 1,300 steelworkers at Clydesdale Tube works, near Glasgow, yesterday went ahead with a 24-hour stoppage.

The health unions seem prepared to compromise on their 12 per cent claim and are eager to get back to negotiations. Earlier in the week Mr Spanswick suggested that negotiations now needed to cover "the details" of the last offer.

But Mr Fowler remained adamant yesterday that the final offer had been made. He was prepared to talk about only the long-term future of pay negotiations in the NHS.

McDonnell Douglas may step into shoes

By Robert Graham in Madrid

MCDONNELL DOUGLAS, the U.S. aircraft manufacturer, is putting its best foot forward to conclude a \$3bn (£1.5bn) Spanish deal which would partly involve the hawking of aircraft for shoes.

Spain's shoe manufacturers' federation yesterday announced that the Amecans were willing to buy its members' products and market them in the U.S. thus offsetting part of the cost of F-18s combat aircraft ordered for the Spanish air force.

Agreement to purchase 84 F-18s aircraft was announced last month. The cost, including spares and software, is set at nearly \$3bn.

The Spanish Government has been seeking ways to offset this substantial foreign exchange disbursement at one suggestion was the purchase of shoes by the U.S. company.

Spanish shoe manufacturers believe McDonnell Douglas will buy up to \$100m worth of shoes over the next 10 years.

Discussions have already taken place between the U.S. company and Incesa, one of the six big shoe concerns, on the sale of up to 12m pairs of shoes.

The Spanish Government is reportedly disappointed at the level of direct offset production conceded by McDonnell Douglas or the F-18s in Spain.

Thus it has been obliged to seek other means. It has already been agreed to provide McDonnell Douglas with aviation equipment unrelated to the F-18s as a means of payment.

The U.S. has traditionally been the largest single purchaser of Spanish-made shoes. It accounts for over 40 per cent of export sales.

In the last five years, however, the quantities sold have declined by more than one-third, although their value has remained constant at around Pta 20bn (£1.62bn).

Higher costs and fierce competition from Third World producers have been the cause.

Incesa claims to have evolved important cost-saving technology. It says it has developed a new moulding system which permits an 8 per cent saving on leather and a new type of fixing for women's heels which replace nails or tacks.

Continued from Page 1

East-west

months later when war broke out. Last summer, negotiations with Czechoslovakia were revived and, by November, agreement in principle had been reached. In return for a payment by Czechoslovakia of £24m, Britain agreed to return the 184 tonnes of disputed gold and was released from certain obligations to do with Czechoslovakian assets held in the UK of the Custodian of Enemy Property. The swap was made on February 20, when the gold was worth about £380m.

On Monday, distribution order was laid before Parliament to state that money from Prague was available to claimants. Early next month, the Foreign Compensation Commission (FCC) an independent judicial body, will take on the complex adjudication and distribution. Advertisements will be placed in the Press. Anyone with a claim should write to the FCC. Until all the claims, which are likely to involve money and other property, have been lodged and verified, it is impossible to know whether bona fide claims will be met in full.

Gilts at 3-year high on base rate hopes

BY WILLIAM HALL, BANKING CORRESPONDENT

THE gilt-edged market ended the week at its highest level for more than three years as expectations grew that UK banks would cut their base rates for the second time in less than a month.

After some hesitation at the start of the week gilt-edged stock prices rose steadily. Institutional and overseas buying meant the unofficial top stock, Treasury 12 per cent 1987 "A" was exhausted.

The FT Government Securities index finished at 74.25 up 1.59 on the week.

Short-term interest rates, which had firmed at the beginning of the week, continued to ease by around 1/4 of a percentage point yesterday, with the three-month interbank rate falling to 11 1/2 per cent.

At the weekly bill tender the average rate of discount fell marginally to 10.7110, its lowest level since late 1978.

An easier trend in Euro-dollar interest rates, where the three-month rate fell by 1/4 of a percentage point to 12 1/2 per cent yesterday, has encouraged the UK money markets to

expect an early cut in UK bank base rates from their current level of 11 1/2 per cent.

However, seven-day interbank rates—which are watched closely by the banks before they cut rates—remain relatively high. In addition, the Bank of England has not been pushing rates lower as the case three weeks ago.

It has kept its daily money market dealing rates unchanged in spite of the easier trend in UK interest rates.

In the foreign exchange markets, the pound rose by 40 points against the dollar to \$1.703 though the Bank of England's trade-weighted index of its value against a basket of other currencies was unchanged at 90.3.

The U.S. dollar, reflecting the fall in Euro-dollar interest rates, fell early yesterday but recovered towards the close. Against the West German currency it finished at DM 2.5075 against DM 2.5175. The index of its effective exchange rate fell 0.3 to 122.4.

Building society records broken, Page 3

Continued from Page 1

Inflation slows

due to go up by about 10 per cent in October.

As there was a similar increase in gas prices last year, however, the annual rate of inflation should not be affected.

Against these increases, the recently announced cut in mortgage rates from 13.5 per cent to 12 per cent is expected to reduce the index by about 0.5 per cent. The generally moderate level of wage increases, which have been running at around 7 to 8 per cent, and the slow increase in industry's raw materials prices (at about a 5 per cent annual rate) are also expected to help the downward pressure on inflation.

Because of improved productivity, industry's wage costs per unit of output have been increasing at only about 3 per cent a year for the last nine months.

Prices charged by nationalised industries continue to rise faster than average. The increase in the year to July was 13.6 per cent compared with a rate of 10.9 per cent in January.

RETAIL PRICES

Table with columns: Retail Price, Annual percentage increase to July. Includes categories like Food, Seasonal food, Alcohol, etc.

This increase partly reflects higher London Transport fares as well as the ending of electricity rebates. In general, the faster rise of nationalised industry prices is said to reflect a delayed adjustment to higher energy prices.

THE LEX COLUMN

Downhill with the brakes on

A week ago it looked very much as though a 1/2 point reduction in bank base rates was imminent. But the clearing banks are still stuck at 11 1/2 per cent, and the Bank of England seems to have lost its enthusiasm for forcing the pace of interest rate reductions. Attempts by the discount houses to force the Bank's dealing rates down have received a glacial response, and the Treasury bill rate was barely changed from the ambitiously low level of the previous week.

The Bank is showing both its natural caution at a time when the U.S. markets are more than usually difficult to read—after much oscillation, euro-dollar rates ended the week roughly 1/2 point lower—and its desire to keep control of the markets.

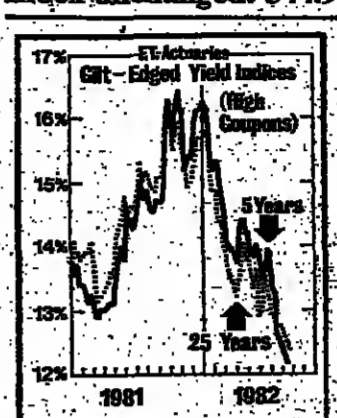
Holding money market rates unchanged has not impeded the authorities' funding efforts. Interest rate cuts are always more detectable in anticipation than in fact, and the gilt-edged market has advanced to new three-year highs this week, clearing the Government Broker out of two chunky tranches of 1998 and 1997 stock on the way.

Institutional liquidity, although far below the peak levels of June, is by no means exhausted; the building societies in particular, with a large inflow of retail funds on top of their share of the maturing Exchequer 9 1/2 per cent 1992 stock, have been particularly flush.

Unless the U.S. bond market responds badly to the latest money supply figures, it seems reasonable to expect the Bank of England to resume the move to lower interest rates next week. The UK retail price index, unchanged in June at a level only 8.7 per cent above June 1981, gives further encouragement; that the month's figure was excellent rather than merely creditable has a lot to do with the price of vegetables, but this apart, the underlying annual rate of inflation must now be around 7 per cent. That leaves plenty of room for the Bank—and for the gilt-edged market—especially as sterling was very high yesterday.

Equities, however, are managing to do no better, than money sectors of the market are still under the cloud of the CBI industrial trends survey, the gloomy conclusions of which were echoed by the statement

Index unchanged: 5449



between 90-day bank certificates of deposit and comparable Treasury Bills widened by about 25 basis points after the Lombard Wall announcement, although this also reflected a growing view that the Fed was ready to cut its discount rate for the third time in roughly a month.

The Fed was admittedly doing its level best to help the markets through a seasonally tight period but this in itself was not concrete evidence of an easier stance. The Fed was aware of Lombard Wall's difficulties well in advance and probably wished to defuse the situation, as it did successfully during the Drysdale and Penn Square crises.

By yesterday morning, however, the markets were looking forward confidently to a further reduction in interest rates. Federal Funds opened at 10 1/2 per cent—signalling a possible half point cut in the discount rate to 10 1/4 per cent—and the yield on long Treasury bonds was threatening to dip below 18 per cent, a level which it has barely breached since July last year.

Against that, international equity markets are distinctly weak, with defection on Wall Street and something near panic in Hong Kong. The two-way pull on equity prices is becoming if anything more pronounced.

U.S. markets

This week's news that another Wall Street securities firm was in trouble served as a timely reminder of the present fragility of U.S. financial markets. The failure of Lombard Wall is unlikely to have repercussions as serious as those caused by the collapse of Drysdale Securities, but it was enough to stall a rally on the New York equity market.

Chase Manhattan, which takes turns with Continental Illinois to produce bad news, was again in the firing line and its shares dropped to roughly half their 1982 high point. Continental's equity has fallen by almost 60 per cent since late January. The banks are in an obvious dilemma, needing to limit their exposure to the securities industry without creating liquidity pressures which could drive clients into default.

Wall Street's concern is expressed itself through the "risk premium" which commercial banks must pay for short term funds. The yield gap

Automotive Products could almost have designed its interim statement to corroborate gloomy readings of the latest economic statistics. After a relatively successful first quarter when a number of its customers were rebuilding stocks—particularly of replacement parts—AP was left uncomfortably exposed when final demand slipped again in the spring. AP, which had budgeted for rising demand, was involuntarily producing too much stock. Borrowings jumped, redundancies were announced and the dividend had to be halved.

Of course AP had been through all this once already, when the final dividend was raised as recently as April; this board obviously did not expect lightning to strike again in the same way.

There is no real evidence to suggest that the relaxation of HP restrictions, designed specifically to help the motor and component sector, will make all that much difference to AP's second half. Having stood as high as 55p this year, the shares fell 3p yesterday to 26p, where they yield 8 1/2 per cent, assuming a halved final.

They may be friendless for some time—especially since Lucas' placing of an 11 1/2 per cent stake. The market capitalisation is £144m.

Commodity prices under pressure. Our view. As prices decline to their lowest levels since June 1980, Bache analyses inflationary expectations versus the deflationary realities of the Reagan era. If you have £25,000 or more to invest and are interested in the commodities markets, our latest publication - 'Commodity Mid-Year Outlook' - is essential reading for an up-to-the-minute view of the future of futures. Free For your free copy, just telephone us or complete the coupon. To: William L. Custard, Manager, Bache Halsey Stuart Shields Inc., 3-5 Burlington Gardens, London W1X 1LE. Tel: 01-439 4191. Telex: 263778. Please send me a copy of your 'Commodity Mid-Year Outlook'. Name: Address: Tel. No. Bache Halsey Stuart Shields Incorporated. Member: London Stock Exchange. Member: Securities Investor Protection Corporation. FT14/B

